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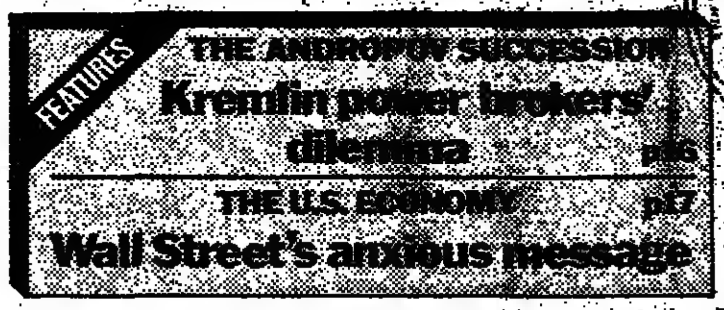
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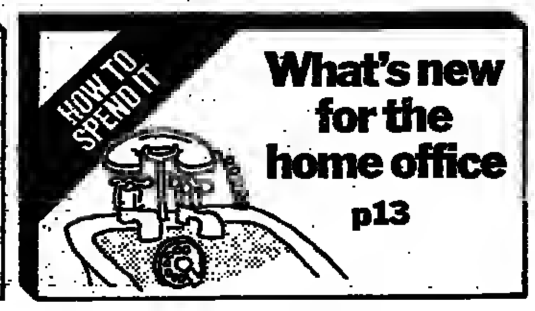
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CHERNENKO TO THE FORE FOLLOWING THE DEATH OF ANDROPOV

Search starts for new Soviet leader

BY ANTHONY ROBINSON

THE SEARCH for a new leader of the Soviet Union was under way last night after the official announcement that President Yuri Andropov died on Thursday afternoon after a long illness.

The announcement, delayed for 22 hours, was heralded by an unscheduled switch to classical music by the light music radio programme of Moscow Radio late on Thursday night.

Mr Andropov is expected to be buried in a grave beneath the Kremlin wall, an honour bestowed on all former leaders except Mr Nikita Khruschev who was unseated in a Kremlin coup in 1964.

A special funeral committee has been set up to supervise the arrangements. It is headed by Mr Konstantin Chernenko, the 73-year-old Politburo veteran who was Mr Brezhnev's own choice for the succession and Mr Andropov's main rival 15 months ago.

Kremlinologists were reading great significanance into the choice of Mr Chernenko to head the committee because it was the emergence of Mr Andropov at the head of the Breznnev funeral committee which gave the first clue to his successful power bid.

The state funeral in Red Square is expected to provide an opportunity to renew East-West contacts at the highest level if, as expected, invitations are to be sent to and accepted by world leaders.

The value of such meetings, however, will depend largely on whether a new leader has emerged by then. Mr Andropov was chosen only three days after Mr Brezhnev's death. He was thus in a position to greet foreign ledaers from the U.S. Vice-President to the Foreign Minister of China in his capacity as the new party secretary.

This time the selection may take more time, though those who engineered the smooth succession last time are still in powerful positions and have had six months to prepare for the change.

Mr Chernenko is seen as the main "interim" candidate for the top party post while there are three main contenders should the Kremlin power-brokers opt for a younger man at this stage, in spite of what they may see as their relative inexperience.

The three are Mr Grigori Romanov, 61, former Leningrad party chief, Mr Vitali Vorotnikov, 57, who enjoyed rapid promotion to Politburo status under Mr Andropov, and Mr Mikhail Gorbachev, 53, an agricultural and economy expert.

All three have moved to positions of increasing power and influence as part of a broader effort by Mr Andropov to promote younger and better-qualified men to replace older or corrupt Brezhnev appointees.

Mr Andropov's death was announced at 14.20 local time by Tass, the official news agency. It said: "The Central Committee of the Communist Party of the Soviet Union and the Soviet Council of Ministers with deep sorrow inform the party and the entire Soviet people that Yuri Vladimirovich Andropov ... died after a long illness at 16.50 hours Moscow time on February 9."

Shortly afterwards Soviet television interrupted its programmes to show briefly a portrait of the dead leader bordered in red and black, followed by the black-suited announcer reading out the brief official dispatch.

Mr Andropov, 69, was the oldest man ever to become leader of the Soviet Union when he succeeded Mr Leonid Brezhnev shortly after the death of the former President on November 10 1982.

His death after only 15 months in power has underlined the essentially interim nature of the Andropov regime.

This became increasingly apparent as ill-health, a serious kidney complaint and other ailments, which have not yet been officially revealed, sapped his early image as a forceful, dynamic innovator and led eventually to his total withdrawal from public appearances.

He was last seen in public by a group of U.S. Senators who visited him in the Kremlin on August 18. After that the official fiction of a man still in total control was maintained by a series of newspaper "interviews" bearing his signature, and official decrees and statements.

The reality of the past six months, however, appears to have been that of a man fighting in vain against the odds with the aid of the best medical treatment available while the real government of the Soviet Union passed into the hands of a small group of powerful Politburo members.

These included Marshal Dmitri Ustinov, Minister of Defence, and Mr Andrei Gromyko, Foreign Minister, who once again had to assume the de facto burden of becoming acting head of state, a role be also bore Mr Brezhnev's frequent illnesses.

The gap caused by Mr Andropov's illness was made greater, ironically, by his success in taking on the three top Soviet positions as head of the party, Chief of State and Commander-in-Chief.

It took him only seven months to gather up these titles but two months later his absence from public view led to a series of embarrassing absences from key state and party meetings. These included the traditional Red Square military march-past

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Kremlin power broker's dilmma, Page 16

CURRENCY MARKETS REACT CALMLY

Foreign exchange markets reacted calmly to the death of Mr Andropov, with the dollar registering small gains after falling back from early highs, Philip Stephens writes.

It closed in London at DM2.7435, up from DM2.7330. Its Bank of England trade-weighted index against a basket of currencies rose from 129.8 to 130.2.

The first rumours of Mr Andropov's death before the Moscow announcement brought a relatively strong upward move in the dollar in early trading, but it slipped back as investors took profits.

The limited reaction was in contrast to the sharp advance in the dollar's value following the death of the previous Soviet leader, Mr Leonid Brezhnev, and reflected the fact that the market had already largely discounted the possibility.

Any steep upward move in the U.S. currency was also inhibited by uncertainty following the comments earlier this week of Mr Paul Volcker, Federal Reserve Board chairman, that it could be heading for a steep fall.

Sterling lost ground against most currencies, its trade-weighted index falling to 81.4 from 81.7 and its value against the dollar slipping to $1.4140 from $1.4230.

Door left open on Reagan visit

BY STEWART FLEMING IN WASHINGTON AND OUR FOREIGN STAFF

MR GEORGE SHULTZ, the U.S. Secretary of State, yesterday left open the possibility that President Reagan might go to Moscow to attend the funeral of Soviet leader Mr Yuri Andropov.

But he drew a careful distinction between a largely ceremonial visit providing no opportunity for full discussions and the possibility that "some time in the future" Mr Reagan might meet the Soviet leadership.

He emphasised again the view which the U.S. has repeatedly put forward that any such summit meeting should only occur if the ground was well prepared in advance, "so there is a chance of a significant result."

West Germany's Chancellor, Helmut Kohl, was the first Western leader to indicate that he planned to attend Mr Andropov's funeral.

Herr Hans Dietrich Genscher, his foreign minister, said: "It is our wish to continue the dialogue and co-operation between our two countries, to which the talks with Secretary General Andropov in Moscow made an important contribution."

In Paris yesterday it was unknown whether M Francois Mitterrand, the French president, would attend the funeral. M Pierre Mauroy, the prime minister, who was present at the funeral of Mr Andropov's predecessor, Mr Leonid Brezhnev, yesterday recalled the efforts made in recent months to improve Franco-Soviet co-operation.

Sir Geoffrey Howe, the Foreign Secretary, said in a radio interview: "I hope the approach that he (Andropov) was indicating towards the case for improving dialogue, for improving relationships generally, will also commend itself to his successor."

In a carefully phrased statement on Mr Andropov's death, Mr Shultz seized the opportunity to reiterate the more moderate tone which the Reagan Administration has adopted towards the Soviet leadership, most notably in the speech President Reagan gave on East-West relations last month.

"As the President has stressed we seek to find solutions to real problems, not just to improve the atmosphere of our relations. This applies in particular to the task of reaching equitable and verifiable agreement for arms reductions and reducing the risk of war," Mr Shultz said.

The President had made clear to the people and the government of the Soviet Union his desire for constructive co-operation in the search for peace.

"We invite the Soviet leadership to work with us to that end," the Secretary said, adding, "there are opportunities at hand. Let us find common ground."

Although Mr Shultz carefully avoided closing the door on Mr Reagan's attendance at the Soviet leader's funeral most observers feel that in view of the chill in relations with the Soviet Union such a trip is unlikely and that as at the death of Mr Brezhnev, it is more likely Vice President George Bush and Mr Shultz himself will go to Moscow.

Pressure on Thatcher to attend Moscow funeral

BY PETER RIDDELL, POLITICAL EDITOR

MRS MARGARET THATCHER last night faced calls from other British party leaders to represent the Government at Mr Andropov's funeral.

The Prime Minister will not decide whether to go until the arrangements are clearer. An announcement is unlikely until Sunday at the earliest, which will be after her scheduled talks with U.S. Vice-President George Bush.

The Government was represented at President Leonid Brezhnev's funeral in November 1982 by Mr Francis Pym, the then Foreign Secretary. Since then, and especially in the last few months, Mrs Thatcher has madeplain her desire to have talks with the Soviet leadership. She would like to visit Moscow and for Soviet leaders to visit Britain.

A visit to Moscow for Mr Andropov's funeral would be seen as building on her successful visit to Hungary and as an opportunity to invite the new Soviet leader to Britain.

Mr Denis Healey, the Shadow Foreign Secretary, said on Independent Television News yesterday that Mrs Thatcher should go to the funeral. "It would be a very natural second step after her recent visit to Hungary. I doubt whether she would get more than a minute or two with the new leader but she should take the opportunity of meeting the new leadership."

Dr David Owen, the Social Democrat leader and a former Foreign Secretary, also hoped that Mrs Thatcher would go to Moscow. He stressed that the crucial thing was for President Reagan to go.

Retail price fall cuts inflation rate to 5.1%

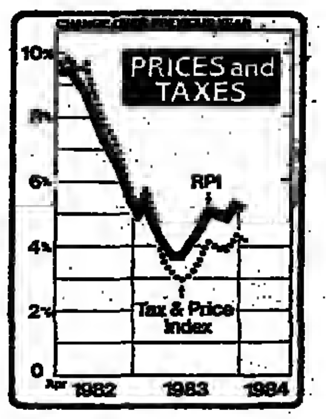
BY PHILIP STEPHENS

THE RETAIL price index fell 0.1 per cent in January, only the third monthly drop in 14 years, pushing the annual inflation rate down to 5.1 per cent from 5.3 per cent in December.

The Department of Employment said yesterday that the fall mainly reflected the fact that lower prices in the shops during the traditional January sales more than offset small increases in other sectors.

The figures delighted the Government and were greeted as a clear sign that it was on target to bring inflation down to 4.5 per cent by the fourth quarter of this year.

Mr Tom King, Employment Secretary, said the fall in prices was "excellent news and a highly encouraging start towards achieving our target of a further fall in inflation this year."



On the last two occasions when prices had actually fallen — in September and December 1982 — mortgage rate cuts had been a factor in pushing the index down.

In January there were no such exceptional factors, apart from the general impact of the sales. In the same month in 1983 prices rose by 0.1 per cent and many economists had been expecting a much higher increase last month.

On an annualised basis the movement in the retail price index over the last six months was only 3.7 per cent, although January's 5.1 per cent inflation rate is above the low of 3.7 per cent recorded last May.

Most forecasters expect some pick up in inflation over the next few months as the continued buoyancy of the economy encourages industry to push up margins.

Officials said, however, that there are no major increases in the pipeline, with higher prices for cigarettes, tea, gas, electricity and milk expected to

Continued on Back Page
Abbey defers decision on mortgages, Page 3

Confusion day in shipyards

By Brian Groom, Labour Staff

PLANS by British Shipbuilders for dramatic improvements in efficiency were in confusion yesterday when it emerged that one-third of the 50,000 workers had rejected local versions of the proposed £7-a-week productivity deal.

When the deadline to qualify for backdating the £7 to November 1 passed last night, deals had been rejected by all or some of the workers at six major yards.

The yards are at Yarrow on the Clyde, Vickers at Barrow-in-Furness, Cammell Laird on Merseyside, Vosper Thornycroft at Southampton, Austin & Pickersgill at Sunderland, and Smith's Dock at Middlesbrough.

Even where deals were agreed with union negotiators, some — as at Govan on the Clyde and Swan Hunter on the Tyne — remained subject to endorsement by mass meetings early next week.

There were further problems yesterday when workers at Scott Lithgow on the Lower Clyde threatened to occupy the yard if an agreement on its future which met with the approval of the workers was not reached by the end of this month. Trafalgar House has reached a conditional

Continued on Back Page
Companies vie for stake in offshore construction, Page 2

WORLD NEWS

Fixed penalty fines planned for speeding

Fixed penalties for motoring offences are to be extended to speeding by April 1986, said the Home Office.

The system now applies to parking offences but will also take in not wearing of seat belts and failing to obey traffic signals. Drivers will still be able to opt for a court hearing.

Oil companies reacted quickly to Thursday's petrol price cut of 4p a gallon by Esso. Yesterday, all the major companies matched the reduction. Page 3

Lebanon doubts

The Reagan administration is facing growing disillusionment in Congress over its Lebanon policy. Back Page: Britons evacuated from Beirut, Page 2

Children escape

Twelve children, aged five, escaped injury when their classroom was hit by a terrorist rocket aimed at an Army vehicle, in west Belfast.

Six die in blaze

Five brothers and sisters and their step-father died when fire swept through their home in Tonyrefail, South Wales. The only survivors were the children's mother and a boy, 10.

Howe hits back

Foreign Secretary Sir Geoffrey Howe hit back at those who attacked the "luxurious" life-style of Britain's diplomats abroad. He said they were important in boosting British exports by £1bn a year.

Holiday warning

Nearly 4,000 Commons workers have been told to get official permission before booking holidays in communist countries. They were warned "certain hazards still attend such travel."

Walesa visit

Lech Walesa, former leader of banned Polish trade union Solidarity, said he will visit Britain, in July, to receive an honorary degree if the Polish government guarantees that he will be allowed to return home.

Pay cut sought

The 3,000 school meals service staff in Hertfordshire are to be told by the county council to accept either a 22 per cent pay cut or be made redundant.

Train crash kills 43

At least 43 passengers were killed when two trains crashed at Bahadurgarh, near Delhi, India.

Consulate bombed

A bomb caused some damage to the Turkish consulate in Cologne, West Germany. A bomb exploded outside a bank in the Spanish Basque town of Renteria, as youths clashed with police.

Icelandic first

Iceland's first bank raid, carried out when staff were on duty, took place in Reykjavik when a masked man snatched about £8,500.

Expensive habit

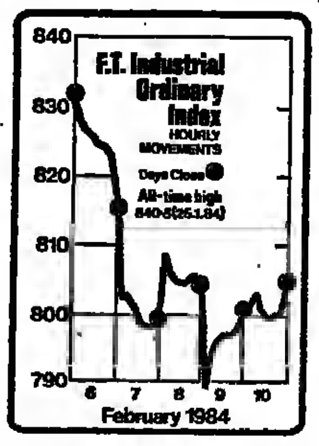
More than 400 South Koreans have been fined £200 for smoking or selling foreign cigarettes during a campaign to promote home-produced goods.

BUSINESS SUMMARY

Overseas buying boosts TI

TI GROUP: heavy overseas buying yesterday pushed the leading engineering company's share price up 14p to 218p, the highest since 1982. Stockbrokers calculated that an overseas buyer has bought at least 5 per cent—enough to require it to disclose its holding next week. Back Page

EQUITIES were little changed but improved late, with the FT Industrial Ordinary index closing at the day's high of 805.4, up 4.1. This made a fall



of 27 on the week, abruptly reversing a four-month advance taking the index to record levels, and reflecting Wall Street weakness. Page 24

ANGLO-FRENCH $452m (£319m) contract to expand a Thai oil refinery appears to have been saved, after two days of talks between the Thai government and French Foreign Trade Minister Edith Cresson. Davy McKee of Britain is a principal contractor.

SAUDI Oil Minister Sheikh Ahmed Zaki Yamani backed Nigeria's case for an oil production quota above the 1.3m b/d fixed by Opec. Back Page

JAPAN decided not to block Citicorp's plan to buy part of Vickers-da Costa, the London stockbroker, with one of the few licences granted to foreigners to do securities business in Tokyo. Back Page

LLOYD'S underwriters have been asked to disclose the reinsurance arrangements they have made with offshore companies, following a wave of scandals in the market. Page 3

TV-am unions agreed a cost-cutting package which ensurea the breakfast television channel will survive another three months. Page 3

BAKERS UNION executive approved a ballot on industrial action in Associated British Foods bakeries. Page 4

U.S. wholesale prices rose 0.6 per cent last month, much more than expected. It may be seen as a sign of increasing inflationary pressure. Page 2

RENAULT, French state-owned car group, expects to be heavily in the red for 1983, with the truck division showing a deficit of more than FFr 1bn (£84m). Page 23

HANSON TRUST attacked the assets revaluation made by London Brick but is not expected to revise its £212m offer immediately. Page 18

STRAITS TRADING of Singapore bought another 4.6 per cent of Carlton United Breweries, Australia's biggest, taking its stake to almost 10 per cent. Page 23

MARKETS

DOLLAR
New York lunchtime
DM 2.7405
FFr 8.4355
SwFr 2.23525
Y234.55
London:
DM 2.7435 (2.733)
FFr 8.45 (8.404)
SwFr 2.237 (2.219)
Y234.65 (233.75)
Trade weighted 130.2 (129.8)
Tokyo close Y234.35

U.S. LUNCHTIME RATES
Fed Funds 9 7/16%
3-month Treasury Bills: 9.04%
Long Bond: 100 1/8
yield: 11.9

GOLD
New York: Comex Feb latest $378.5
London: $378.5 ($383.5)

STERLING
New York lunchtime $1.4185
London: $1.414 (1.423)
DM 3.8825 (3.89)
SwFr 3.165 (3.16)
FFr 11.945 (11.9575)
Y332 (332.75)
Trade-weighted 81.4 (81.7)

LONDON MONEY
3-month interbank mid rate 9 5/16% (same)
3-month eligible bills: buying rate 8 57/64% (same)

STOCK INDICES
FT Ind Ord 805.4 (+4.1)
FT-A All Share 451.97 (+0.1)
FT-A long gilt yield index: High coupon 10.23 (10.28)
New York lunchtime: DJ Ind Av 1,158.61 (+5.87)
Tokyo: Nikei Dow 9,959.90 (−41.84)

Chief price changes yesterday, Back Page

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هكذا من الأصل

The Soviet leader held office for only 15 months. FT writers look at his life and assess world reaction to his death

Andropov, the man who became leader too late

YURI VLADIMIROVICH ANDROPOV was already suffering from one great handicap when he became fifth leader of the Soviet Union in November 1982—his age. At 68 he was the oldest man ever to take over power and it was known that he suffered periodically from a kidney disorder and related blood disease. The strain of high office weakened him further and the question over his longevity undermined his authority before it had even been fully established.

In many ways this was deeply ironic because he became leader only after skilfully neutralising what hitherto had been seen as a much more important disqualifier: his 15-year stint as head of the KGB. But Mr Andropov was not a policeman, still less a killer, in the earlier Stalinist tradition. He was a politician, and a subtle, intelligent one at that. He became head of the KGB in 1967 because the cautious collective leadership of the early Brezhnev years wanted an efficient security apparatus, but under careful party control. To underline his political status, Mr Andropov was appointed as a non-voting candidate member of the Politburo and six years later became a full member.

The KGB proved to be the ultimate stepping stone to power. But Mr Andropov had already accumulated much useful prior experience during his steady rise from humble origins. He was born the son of a minor railway official in June 1914 at the village of Nagutskaya in the Stavropol region of Southern Russia. After starting work at 16 as a boatman on the Volga, he became a telegraph operator and cinema projectionist before graduating from a technical institute in 1936 as a shipbuilder. Soon after starting his first serious job at the Volodarski shipyards at Rybinsk on the Volga, however, he became the yard's Komsomol (Young Communist) organiser and four years later at 26 he became head of the Komsomol in the Yaraslavl region.

Against the background of Stalin's purges and gathering war clouds he was then promoted to head the Komsomol organisation in Karelia during the "winter war" against Finland and stayed on until 1944. In 1947 after three years as party second secretary at the industrial town of Petrazavodsk near Leningrad he came back to Karelia as second party secretary whilst the former Finnish territory was being "Sovietised." During this formative period he attracted the attention of two powerful men—Mikhail Suslov and Otto Kuusinen, Stalin's Finnish proconsul in Karelia.

But it was as Soviet Ambassador to Hungary during the Budapest uprising in 1956 that Mr Andropov forged his reputation for good judgment, ruthlessness and ability. After helping to crush the revolt and install Janos Kadar as the new party chief he returned to a key position in Moscow (in 1957) as central committee secretary in charge of Eastern Europe.

This mixture of party experience and diplomacy proved useful in 1968 when the Prague Spring presented the first major challenge to the Soviet leadership, only one year after he took control of the KGB. Mr Andropov is believed to have argued for a political rather than military solution, but was overruled. The same mistake was not made 12 years later when similar, but even more serious problems arose with the emergence of the Solidarity trade union in Poland.

Enormous political pressure was placed on the Polish authorities to do their own dirty work and in December 1981 the Polish military stepped in with martial law. This did not solve the problem, or dissipate Soviet concern for the future. But it bought time with which to try to work out a new relationship within the Warsaw Pact as a whole and make changes which would head off similar developments elsewhere.

In a way, the emergence of Solidarity in Poland reinforced Soviet perceptions about the correctness of their own policy towards dissidence and intellectual freedom in the Soviet Union. As head of the KGB, Mr Andropov waged a persistent struggle which broke the back of the dissident movement by exiling its best known and most intellectually powerful members, imprisoning others, cajoling some and consigning others to psychiatric hospitals. At the same time over 250,000 Jews and other minorities were allowed to leave.

Mr Andropov was thus instrumental in preventing *detente* in international relations blossoming into uncontrollable demands for greater intellectual, political and social liberties at home. The Soviet people paid the price in cultural atrophy, economic stagnation, a widespread sense of disillusion and a continuing increase in social problems like divorce, mental illness and alcoholism.

Ironically, these were some of the problems which Mr Andropov had the sensitivity to try to tackle once he achieved power. His tenure at the KGB and access to files and information made him the best informed man in the Soviet Union. It showed him, *inter alia*, the degree of corruption and cynicism prevailing among many members of the Soviet elite and the degree of inefficiency, incompetence, idleness and theft which impermeated the economy.

Andropov . . . handicapped by age

It was hardly surprising, therefore, that he started his regime with a concerted attack on corruption and moves to strengthen discipline at all levels. In part, the anti-corruption drive was a *stalking horse* to remove former Brezhnev appointees who had grown old, corrupt and determined to hang on to the privileges which come with power. In part, it was a genuine attempt to squeeze higher productivity out of an economy hamstrung by shortages despite high investment.

Mr Andropov was well aware of his age handicap. He knew that, unlike his predecessors, he did not have a decade to spend consolidating his power and that one of his main functions was to promote younger, more proficient men and give them the experience necessary to form the next generation of leaders.

In June 1983 he became President of the Praesidium of the Supreme Soviet and so acquired in seven months that "triple crown" of party boss, head of state and commander in chief which took Mr Brezhnev 13 years to achieve.

Ironically, two months later he disappeared from public view. For the last six months of his life he exercised a form of proxy authority through "interviews with Pravda" and policy statements signed in his name. These were probably the product of a small "inner cabinet" and his own personal contribution probably varied according to the state of his health and consciousness.

Throughout this period however the power of what can be termed "the Andropov faction" grew as ageing ministers and Brezhnev appointees throughout the party structure were steadily replaced by younger, better educated men loyal to Mr Andropov and the key power brokers like Dmitri Ustinov, the Defence Minister and Andrei Gromyko, the veteran Foreign Minister. These were the men who supported his climb to power and will probably supervise the succession.

Revitalising the economy and giving a new sense of direction to Soviet foreign policy was Mr Andropov's top priorities.

When this failed and deployment of (U.S.) cruise and Pershing missiles in Western Europe began, the Soviet Union had to tacitly admit a major policy setback. Soviet frustration was underlined by walking out of the intermediate nuclear force (INF) negotiations in Geneva in November and refusing to name a resumption date for the strategic arms (Start) talks.

Two months later however a five hour tete-a-tete between Mr Gromyko and Mr George Shultz, U.S. Secretary of State, followed by lengthy bi-lateral talks with eight other Nato foreign ministers at the Stockholm disarmament conference signalled a breaking of diplomatic ice. Whether this leads to a thaw now depends on Mr Andropov's successors.

The main thrust of Mr Andropov's foreign policy was inevitably dictated by awareness of Soviet weaknesses, coupled with apprehension over the U.S. military build-up and fear mixed with contempt for President Reagan's "Empire of evil" jibes from across the Atlantic. First, he tried hard with a series of carefully designed and timed "peace proposals" to encourage Western peace movements to persuade their governments to abandon Nato plans for cruise and Pershing missiles.

In the short time at his disposal Mr Andropov did sweep away some of the cobwebs and start to move the Soviet Union in a more modern direction. The younger men who follow him will probably not differ much in their analysis of what is needed. But they lack the experience which he brought to the job because the same paralysis which blocked Mr Andropov for so many years blighted their careers, too.

Little hope of improved relations with China

By Mark Baker in Peking

THE DEATH of Yuri Andropov comes at a time when relations between China and the Soviet Union are virtually stalemated—with little prospect of a change in the Soviet leadership resolving the impasse.

For more than 20 years, the world's two biggest Communist powers have held each other at arm's length after falling out over ideology. It was the previous Soviet leader, Mr Leonid Brezhnev, who initiated moves to bring them back to the negotiating table.

Despite three rounds of intensive consultations, relations have barely improved. Trade has been expanding, there have been symbolic exchanges of students, technicians and cultural delegations, and some middle-ranking bureaucrats have been swapping visits. But deep-rooted political differences remain.

China has spelled out three issues as blocking a return to normal relations—the bankrolling by the Soviet Union of the Vietnamese occupation of Kampuchea, the Soviet invasion of Afghanistan, and the presence of more than 1m troops near China's northern border.

The Chinese has put a high price on rapprochement, but the Soviet Union under Mr Andropov, while anxious to win a closer relationship with Peking, does not appear to have made any significant concessions.

While contacts with the Soviet Union proved relatively fruitless, China has been progressively discovering the advantages of being courted by the U.S.

China has strong reasons for maintaining its ostensible neutrality: to keep a bargaining lever on both Moscow and Washington, to avoid being drawn under the umbrella of either power, and to preserve its self-appointed status as the leader of the Third World.

But the recent successful visit to the U.S. by Zhao Ziyang, the Chinese Premier, and the plans for President Reagan to visit China in April have been widely interpreted as a clear tilt in Chinese sympathies towards the U.S.

Two recent events have suggested that China may, however, be attempting to shift the pendulum of its foreign policy back towards the Soviet Union and a more clearly neutral position.

It was revealed early this week that the Chinese have invited Mr Ivan Arkhipov, First Vice-Chairman of the Soviet Council of Ministers, to visit China soon after Mr Reagan's April visit. Only yesterday, China and the USSR signed a protocol in Peking to increase their annual barter trade quota by 50 per cent to $1.2bn (£857m) this year.

Both events provide modest openings on which the new Soviet régime might build. But the prospects for a further warming in relations, must be weighted against China's determined insistence on the "three obstacles" to normalisation.

● China had still made no formal comment on Mr Andropov's death by late last night. Xinhua, the official Chinese news agency, reported the death without comment.

Zhao was informed of the news while attending a banquet hosted by Mr Robert Hawke, the Australian Prime Minister, who is visiting Peking.

Paris wants to sustain progress

By David Housego in Paris

The French Government hopes the recent improvement in relations with the Soviet Union will be sustained under the new Russian leadership.

The improvement has been marked by the visit to France 10 days ago of Mr Ivan Arkhipov, Soviet First Deputy Prime Minister, and recent Tass and Pravda commentaries that have taken a more conciliatory view of President François Mitterrand's Administration.

Pravda even went as far as to detect "positive signs of progress" in Franco-Soviet ties after long condemning President Mitterrand for supporting the deployment of U.S. missiles in Europe and refusing to have French nuclear weapons included in the Geneva talks on medium-range missiles.

The French wish to renew the dialogue with the Soviet Union was made clear by President Mitterrand last year and repeated on his subsequent visit to Yugoslavia.

As President of the European Council of Ministers, he also believes that France is well placed to play a role of spokesman for Europe in attempting to ease tensions between the U.S. and the Soviet Union.

In the immediate future, France's main concern is to win Soviet support for its proposal to replace the multinational force in Beirut by a United Nations contingent.

It was unknown yesterday whether President Mitterrand would attend Mr Andropov's funeral

Reagan . . . in recent weeks he has gone some out of his way to appear more conciliatory toward Moscow

Reagan given chance to start U.S.-Soviet thaw

BY REGINALD DALE, U.S. EDITOR IN WASHINGTON

THE DEATH of Mr Yuri Andropov gives President Ronald Reagan an opportunity to make a new start in trying to unfreeze U.S.-Soviet relations if he choses to do so—and there are some signs he may.

In an election year, Mr Reagan is well aware he is vulnerable domestically to the charge that he has contributed to bringing superpower relations to one of their lowest points ever. The opinion polls continue to show that many Americans believe he has heightened the risk of nuclear war and failed to tackle the arms race through serious efforts to reach arms control agreements.

A thaw with Moscow was already on the cards last summer, when the Administration seemed to think that a Reagan-Andropov summit meeting might conceivably be arranged for some time this year—suitably in advance of the November U.S. elections.

But tentative moves towards an accommodation were scuppered by September's shooting down of the South Korean airliner, which Mr Reagan chose to treat as a major East-West incident, and by the subsequent hostile exchanges over the start to the Nato deployment of U.S. cruise and Pershing II missiles in Western Europe.

More recently Washington's suspicions of Moscow have only been enhanced by what it sees as the aggressive behaviour in the Middle East of Syria — a country that the Reagan Administration has denounced as a Soviet surrogate intent on sabotaging U.S. interests in the region.

Mr Reagan, however, has consistently stuck to two themes in his statement on relations with the Soviet Union. These are that he is ready for a summit meeting with the Soviet leadership, provided that it is "well prepared" and can achieve constructive results, and that he believes the U.S. must pursue peace, even if the Kremlin does not.

Mr Andropov's drawn-out illness has also for many months been seen in Washington as making a Reagan-Andropov summit unlikely. In any case, to U.S. Kremlinologists, Moscow has seemed to be waiting to assess the chances of Mr Reagan's re-election before making a serious move.

Mr Reagan, however, has increasingly wanted to make the point that it is not necessarily his fault if relations are so bad —a view that a recent opinion poll suggested was shared by a fair number of Americans.

Last month, Mr Reagan called for a new, more co-operative chapter to be opened in dealings between Washington and Moscow. And while he has been catering heavily to right-wingers and American anti-Communists in his election rhetoric over the past 10 days, he has put an end to more direct inflammatory attacks on the Soviet Union along the lines of his "evil empire" speech of last May.

It is most unlikely that Mr Reagan's view of the Soviet Union has substantially changed. He still sees the world in terms of the clash between freedom and totalitarianism, as he made abundantly clear in a deeply conservative speech at his old college in Eureka, Illinois, earlier this week.

But the "peace" theme has recently been more evident as he tried to outflank Democratic opponents, who are still trying to cast him as a warmonger—and publicly protesting that he is the first U.S. President since Mr Herbert Hoover, in the early 1930s, not even to have met his Soviet counterpart.

Mr Reagan, however, has also made it clear that he believes the Soviet military to be exerting an increasingly sinister influence on the decision-making process in Moscow—and particularly so during the period of Mr Andropov's disappearance from public view. He has been playing "the China card" to Moscow's displeasure, with plans for a trip to Peking in April.

He did not decide to follow up the death of Mr Andropov's predecessor, Mr Leonid Brezhnev, with a major new opening at the end of 1982. This time, however, he may find the role of the magnanimous world statesman more tempting.

East Europe allies anxious over succession

BY DAVID BUCHAN, EAST EUROPE CORRESPONDENT

CHANGE at the Kremlin helm has global foreign policy significance. But for some 100m people in the Soviet Union's six East European allies, it has also direct bearing on the internal ordering of their societies.

None of Eastern Europe's leaders, whether from countries most closely aligned to the Soviet system like Bulgaria, Czechoslovakia, East Germany, or societies in very different forms of transition like Poland and Hungary, or from maverick Romania, have any power to influence the choice of Mr Andropov's successor. But they all have an enormous stake in the outcome.

Equally, none of the probable contenders to be the new Soviet General Secretary has the extended experience of Eastern Europe that Mr Andropov acquired from his ambassadorial post in Budapest in the late 1950s and from his post of central committee secretary for relations with allied communist parties in the early 1960s.

Only with Stalin's death in 1953 was there a widespread changing of the guard in Eastern Europe. But if the Soviet power-brokers were now to choose a markedly younger man, this would underline the age of East European leaders.

The major disappointment for Eastern Europe is that Mr Andropov did not last long enough to reverse decisively the drift in Soviet policy of the latter Brezhnev years. Mr Andropov did force a closing of political and ideological ranks in Eastern Europe, in response to the deployment of new U.S. missiles in Western Europe.

But East European officials admired the initial dynamism with which Mr Andropov tackled arms control issues in his first three-four months in office, including his one trip to Eastern Europe, to the January 1983 Warsaw Pact summit in Prague.

Where East Europeans most hoped Mr Andropov would make progress was with the ailing Soviet economy. They realised that Mr Andropov first had to get his own economic house in order before turning to their common trading problems in Comecon. But the Andropov era came and went without Soviet bloc leaders holding their long-rumoured and much-prepared Comecon summit.

The Soviet allies probably most anxious about the succession are Poland and Hungary. General Jaruzelski needs continued positive Kremlin backing if his policies, unpopular with conservatives and moderates alike, are not to founder completely. Hungary will be looking to see whether the new man in the Kremlin has any obstacles to put in the way of its increasingly independent-minded economic policies.

Bonn calls for efforts to resume arms negotiations

BY RUPERT CORNWELL IN BONN

THE overriding concern of the West German Government after the death of Mr Yuri Andropov, the Soviet leader, is that his succession should be swiftly and decisively resolved, to set East-West relations on a more predictable footing.

But Bonn officials were quick to admit last night that the complete uncertainty over the future leadership structure in Moscow could mean that the drift of the last year could continue.

In the meantime, the Government and leading politicians stressed the need to preserve and build on existing relations between the two countries, and to do everything possible to get East-West arms negotiations—broken off after the start of deployment of new Nato missiles last autumn—started again.

This concern was underlined by the swift announcement that Chancellor Helmut Kohl would attend the funeral ceremonies in Moscow. Flags flew at half mast on Government buildings here yesterday.

In a telegram to Mr Nikolai Tikhonov, the Soviet Premier, Herr Kohl spoke of his "genuine sympathy at the great loss suffered by the Soviet people." The Chancellor was the last high-ranking Western leader to see Mr Andropov.

Iraq braced for major assault by Iranians

BY ROGER MATTHEWS

IRAQ is bracing itself for a full-scale Iranian assault to mark today's fifth anniversary of the Islamic revolution in Tehran.

The past week has been punctuated by a series of threats and counter-threats, with Iraq pledging to launch air and missile attacks against 11 Iranian cities, and Tehran responding by repeating its determination to cut off the supply of oil through the Strait of Hormuz.

Foreign diplomats called to the Foreign Ministry in Baghdad on Thursday were told that an Iranian attack was imminent. Iraqi officials said 11 Iranian towns had been selected as retaliatory targets because they were being used as staging posts for Iranian troops and revolutionary guards preparing for the attack on Iraq.

Iraq has advised the populations of the Iranian cities to leave immediately in order to avoid unnecessary casualties. Iran said that it would destroy several Iraqi towns and its "industrial installations" if its own towns were attacked.

President Ali Khameini of Iran said yesterday that the oil flow to the West would be halted if the U.S. became actively involved in the Gulf war.

There has been a lull in the fighting since Iran's last major offensive in November when it succeeded in recapturing a slice of territory and then crossing the international border near the northern Iraqi town of Penjwin.

Iraqi officials believe that the next attack will come in the central and southern sectors of the battlefield. President Saddam Hussein of Iraq has said several times that if Iran attacks again, he will use all the weapons in his arsenal to force them back.

This would presumably include French Super-Etendard fighter bombers which are equipped with Exocet missiles.

It is understood that this weapons system is fully operational and Iraq is confident that it can be used successfully against oil tankers attempting to approach Iraq's main export terminal at Kharg Island.

Group of Five talks cancelled

By Paul Betts in Paris

A MEETING of Group of Five Finance Ministers in Paris tomorrow has been cancelled after the decision of Mr Donald Regan, U.S. Treasury Secretary and Mr Noburu Takashita, Japanese Finance Minister, not to attend.

The informal meeting of the Ministers from the five main industrial countries—the U.S., Japan, Britain, France and West Germany—was to have preceded the special ministerial meeting of the Organisation for Economic Co-operation and Development (OECD) which begins on Monday and will discuss issues of medium and longer-term economic growth.

The decision to cancel the meeting was taken after Mr Regan indicated he would be unable to attend because of the current heated U.S. budget debate in Washington. Earlier this week, Mr Regan announced he would not attend for the same reason, the two-day OECD meeting.

The U.S. will be represented by Mr Beryl Sprinkel, under-secretary for monetary affairs at the U.S. Treasury.

Navy evacuates Britons from Beirut

BY PATRICK COCKBURN IN BEIRUT

BRITISH and American citizens were evacuated from Beirut seafront yesterday by Royal Navy and U.S. helicopters as a dozen Israeli jets bombed a town east of the capital.

The evacuation of some 360 British citizens and 140 Americans comes as a result of the takeover of West Beirut by insurgent Moslem militiamen and *President Reagan's decision* to withdraw 1,500 U.S. marines from Lebanon to ships offshore.

The evacuation was protected by Druze militiamen who guard the area on the corniche which contains the British and U.S. embassies. Most of the refugees appeared reluctant to leave. Many were distressed.

"I have been here for 22 years," said one woman. "But I find the shelling terrifying."

An American millionaire of Lebanese origin who had been trapped in an area between East and West Beirut which has come under heavy sniper fire said it had taken him three days to get his family out.

Many of the Americans are clearly concerned that shelling by the U.S. battleship New Jersey will precipitate counter-measures by *Druze and Shia* militiamen.

Britons board a Royal Navy helicopter on Beiruts' seafront

The speed at which the evacuation was organised prevented a number of U.S. citizens finding out about the departure plans. It is therefore expected the helicopters will return today to pick up more U.S. citizens.

Diplomats in Beirut feel the departure of so many foreigners from the Lebanese capital is largely a token of domestic concern about their safety rather than an indication that heavy shelling will be resumed.

The Lebanese in West Beirut, however, fear the evacuation may herald a more violent turn in the fighting.

The Israeli bombing raid on the town of Bamdoun, east of Beirut, is in retaliation for three Katyusha rockets which guerrillas fired into northern Israel on Thursday.

James Buxton in Rome writes: The major part of a squadron of seven Italian warships, led by the cruiser Vittorio Veneto, is expected to arrive in Lebanese waters later today to provide extra cover for the 1,330 Italian troops when they are eventually pulled out of Beirut.

Today the amphibious transport ship Caorle of the Italian Navy is due to evacuate 500 civilians from Beirut. About half of them are Italian and the rest are German, Cypriot and Spanish. They will be taken from both West Beirut and from the Christian-held port of Jounieh to Cyprus.

Two Italian car ferries are expected to reach Lebanese waters by the middle of next week and will be ready to evacuate Italian troops as soon as the government gives the go-ahead. Italy plans to make a "gradual withdrawal" of its forces.

Wholesale prices in U.S. rise

By Stewart Fleming in Washington

WHOLESALE prices in the U.S. rose 0.6 per cent in January, a much bigger jump than economists had been expecting and one which will be interpreted as a worrying sign that inflationary pressures may be building up.

The index rose only 0.6 per cent in the whole of last year, the best wholesale price performance since 1964.

The Labour Department said last month's increase reflected sharp rises in food prices, particularly fresh produce which was damaged by the winter weather.

The department said the increase in producer prices would have been significantly higher, were it not for the fact that the data collection system did not include all the sharp rises in heating oil prices which came into effect last month.

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Andrew Fisher looks at the investment in North Sea production spending that underpins interest in Scott Lithgow takeover

Companies vie for a stake in offshore construction bonanza

THE FAILURE of Scott Lithgow, the Clydeside yard of British Shipbuilders, to make a success of the gruelling offshore construction market has come just as spending in the North Sea is about to take off.

This explains the keen interest shown by the companies now waiting impatiently to see if they can take over the ailing yard.

Britoil waits to see if there is any chance of salvaging its oncebird, completed rig lying unassembled in the Scottish yard. It was the cancellation of this much delayed £88m order which put a question mark over the yard's future.

Britoil is one of the companies which will invest heavily in the North Sea. The UK and Norway are expected to spend $8bn (£5.6bn) or more a year for the next 15 years.

For companies such as Gotaverken Arendal in Sweden, which has moved successfully into offshore building and would like to work with the winning bidder for Scott Lithgow, such a scale of investment holds out hope of full order books.

Most of the offshore investments will go on production plant. Total investment in North Sea, Canadian, U.S., and Soviet oil and gas fields is expected to exceed $50bn up to 1988, reckons Gotaverken.

"Production investments will dominate the offshore market during the next few years," said the Swedish yard recently. For Gotaverken offshore construction has meant profits of nearly $30m in each of the past two years.

Gotaverken plunged into the offshore market in the late 1970s after it became clear its future as a tanker builder was in jeopardy. It studied the market and paid attention to proper training of its workforce before building its first rig for delivery in 1980.

WORLD SEMI-SUBMERSIBLE RIG ORDERS

Where built	On order*	Delivered since 1980
Sweden	3*	11*
South Korea	1	9
Japan	3	15
France	2	4
Norway	1	5
Singapore	2	3
Britain	3	1
Finland	2	3
U.S.	—	3
China	2	—
Spain	1	—
Canada	1	—
Soviet Union	1	2

* All at Gotaverken yard.

Source: Gotaverken Arendal

It has since delivered 11 semi-submersibles, five were to its own design. It is this expertise which companies such as Howard Doris, the Anglo-French company with a fabrication yard in Scotland, and Bechtel of the U.S. want to use if they succeed in obtaining Scott Lithgow. Bechtel plans to link with financial institutions.

Gotaverken, part of the state-owned Swedyards group but contemplating independence, has worked with both companies. The £125m production platform which Sun Oil of the U.S. wants to build for the Balmoral field in the North Sea will be a Gotaverken design, with Bechtel as project manager.

"We are prepared to work with whichever company will take over," said Mr Mikael von Mentzer, executive vice-president of the Swedish yard. In the case of Howard Doris, it would go in as a full partner.

It is less clear what its involvement might be with Trafalgar House, with which it has not worked. Trafalgar has been seen as the leading contender for the yard and has said it would have some technical links with Gotaverken.

"The first step," said Mr von Mentzer, "is to see how to get the Britoil rig finished. Then comes the future of Scott Lithgow and how to reorganise it." While wary of attempting to go it alone on a bid, Gotaverken wants to penetrate deeper into the UK offshore market without being seen as an invader.

"We consider the UK market as a main market," be added. The Gothenburg yard has built an accommodation module for a North Sea platform of Britoil, which was pleased with the result. It has designed rigs built by Cammell Laird.

Cammell Laird was seen as a front runner for the Sun Oil contract but now seems to have slipped. BS appears unwilling to commit itself to another complex offshore contract while it is still smarting from the Scott Lithgow debacle.

Gotaverken admits it cannot compete on costs in steel fabrication, welding and plating with yards in Japan (such as iMtsubishi, Kawasaki, Hitachi, and Mitsui) or South Korea (Daewoo and Hyundai).

It likes, therefore, to become fully involved in rig building projects at an early stage, using its own designs, and management skills. Each stage of a contract from design through steelwork to completion is treated as a separate profit centre.

At the start of its offshore life, Gotaverken hired special experts to help it get going. Its firsttwo rigs beoefited from Government subsidies, said Mr von Mentzer, but the rest have beeo purely commercial. When it bas lost out to the Far East, it has conducted post mortems to see why. In some cases, it says it has estimated later that owners would have found it cheaper and quicker to order in Sweden.

Its involvement with Bechtel has come as the latter is seeking to raise its profile in the UK and shed its image as a U.S.-based multinational. It has bad a management and co-ordination role in nine North Sea fields, including Balmoral with Sun Oil, as well as wide experience in engineering, construction and offshore work.

Representatives from both Bechtel and Howard Doris, which hopes to build the Sun Oil platform as does Highland Fabricators (Brown and Root of the U.S. and Britain's George Wimpey), will visit Britoil next week.

It is completion of this sophisticated but problem-plagued rig that will have to be a priority for the new owners of Scott Lithgow. After that, the way will be clear to benefit from the expected investment bonanza.

Survival scheme wins acceptance at TV-am

By David Goodhart, Labour Staff

AGREEMENT has been reached with the unions at TV-am, the breakfast television station, on a cost-cutting package which ensures survival for the next three months at least.

The main union, the 170-strong Association of Cinematograph, Television and Allied Technicians, yesterday accepted the principle of changing working practices after an initial draft document was amended by the management.

The key change involves moving from an expensive five days on-five days off system to four days on, three days off. The amended rota will bring considerable savings to the company on overtime and weekend work.

TV-am was looking for a saving of £1.5m. The combination of changed working practices from the ACTT an the natural wastage of about 15 jobs held by journalists should provide most of that.

The changes were accepted by a large majority of ACTT members, although there will be further discussions with the company over details.

There was some opposition from members who felt that although the initial agreements were — in the main — very generous, they were compensation for anti-social hours.

Raymond Snoddy writes: January was the BBC's best month in the television ratings since last summer. With the help of The Thorn Birds on BBC1 and snooker on BBC2, it had a 48 per cent share of total viewing.

That compared with 45.5 in December and a low of 43.5 per cent in September.

The Thorn Birds, the controversial American soap opera which attracted the ire of ministers and audiences of more than 15m, just sneaked into the Top 10 at number 10.

It was beaten by seven episodes of the favourite British soap opera—Coronation Street.

Mr Brian Wenham, BBC Television's director of programmes, had said that the BBC would probably recover in the winter quarter and close the audience gap with the ITV systems.

Allowances hope for cable laying

By Raymond Snoddy

THERE ARE growing signs that the cable TV industry will be able to claim 100 per cent capital allowances for the laying of cable.

In November it was feared the Inland Revenue was moving towards the view that cable ducting was the "setting" in which the cable is housed, and not plant attracting capital allowances.

For some cable operators this distinction could have prevented them going ahead because of the high costs of digging up roads and laying cable. Capital allowances on some £200m could be involved.

The Inland Revenue has still not made a final ruling. It has taken the unusual step of asking for outside counsel's opinion on the issue.

FT journalist wins award

JUNE FIELD of the Financial Times has been named property journalist of the year for her high standard of reporting throughout last year. She received a cheque for £600 from Mr Ron Presley on behalf of Edward Erdman & Company, the sponsors, and a silver salver awarded by the Incorporated Society of Valuers and Auctioneers.

Other awards were presented at a London dinner on Thursday to David Mercer, of The Scotsman, provincial property journalist; Caroline McGhie, of the Sunday Times, residential journalist; Adam Murza, of the Estates Times, commercial and industrial property journalist, and Paul Raymer, of the Birmingham Post, president's prize for journalism.

Lloyd's agents told to reveal reinsurance details

BY JOHN MOORE, CITY CORRESPONDENT

UNDERWRITING AGENTS in the Lloyd's insurance market have been asked to disclose the reinsurance arrangements they have made with offshore companies. The request, at a meeting of agents yesterday, was made by Mr Peter Miller, Lloyd's chairman, following a wave of scandals in the market.

Lloyd's is under pressure from the Inland Revenue, which is trying to trace millions of pounds not declared for tax purposes by the market's professionals.

Under the guise of reinsurance contracts, money has been channelled out of the market by the professionals to companies based in tax havens which are controlled by the working members of the Lloyd's market and their families. More than $400m (£282m) is believed to have been channelled to Bermuda and Lloyd's is to examine which are legitimate and which are bogus reinsurances.

Underwriting agents will have to complete forms which show their reinsurance arrangements, which they have always claimed are designed to protect underwriting members of the market against onerous losses.

The disclosure arrangements are part of a deal reached with the Revenue by Mr Ian Hay Davison, Lloyd's chief executive, a year ago. Following the scandals surrounding Alexander Howden and Minet Holdings where $55m and $53m were alleged to have been channelled out of the groups, Lloyd's interests to companies controlled offshore by former executives the Revenue wanted to seize Lloyd's files.

Lloyd's argued that it could not carry out investigations into alleged irregularities if the files were seized. It said more disclosure by the market's professionals would allow the Revenue to identify areas which it wanted to investigate further.

The disclosure proposals form part of the agreement with the Revenue which has set up a special office in Mincing Lane near Lloyd's to investigate the market's affairs.

In the past week, Lloyd's launched an inquiry headed by Sir Edward Singleton, former president of the Law Society, to investigate the affairs of Bellew, Parry & Raven, the underwriting agent, and establish the amounts of money which have flowed from insurance syndicates under their control to offshore companies controlled by the agency's founding directors and their families.

Lloyd's is examining the ultimate beneficial ownership of the Bermuda Reinsurance Company; and the Midland Reinsurance Company, based in Bermuda, whose shares are held in trust for the children of directors of the agency. Midland Reinsurance has a legal charge over all principal moneys and interest on the group's headquarters, Oxford House in London.

Oil licensing plans expected soon

BY DOMINIC LAWSON

THE GOVERNMENT is expected to set forth its strategy for the ninth round of North Sea licensing next week.

The licensing round is likely to be similar in structure to the eighth round last year, when some blocks were auctioned, but the majority were allocated in a discretionary basis.

The oil prospecting blocks put out for auction are likely to be in the central North Sea and in the southern gas basin.

The oil industry is not keen on the auction process, which in the last round raised more than £30m.

Dr Armand Hammer, chairman of Occidental Petroleum, said last week that bis company would not join a North Sea auction.

The Department of Energy wants to encourage the industry to explore west and north of the Shetlands, so as to ascertain more fully the extent of UK oil reserves. It is therefore expected to tell oil companies that it will look more favourably on their applications if they include offers to explore in such deep and hostile waters.

As in the previous round, the Government is likely to treat best those companies with firm commitments to research and development.

The Government is likely to give the industry an unusually long time to consider its bids which would in turn depend on seismic surveys conducted on large areas of uncharted waters.

The award of licences is not expected until early next year, when it is likely that about 70 blocks will be finally allocated.

Esso petrol price cuts followed quickly

BY DOMINIC LAWSON

OIL COMPANIES yesterday reacted quickly to Esso's announcement of Thursday night that it would cut the price of petrol by 4p a gallon to 179.6p.

By lunchtime the majors had fallen into line with 4p cuts of their own, although Mobil said it would introduce the new price selectively.

Canoco confirmed it would continue to undercut the larger companies by about 1p a gallon at its Jet filling stations.

There seems little immediate prospect of a continuing fall in prices. The new level is likely to reduce already thin retail profits to almost nothing.

Esso said yesterday, however, that the new price would still bring a return, as previous margins had been generous.

Many in the industry feel Esso introduced the price cut as a pre-emptive strike against Shell's imminent £2m promotional campaign on the forecourts.

Shell will go ahead with the "Make money with Snell" campaign. Other companies said they would consider responding with national promotions.

The prospect for the motorist is one of a multiplicity of promotional campaigns as in the 1960s.

Brokers gain from AT & T spin-off

BY ALISON HOGAN

SEVERAL stockbroking firms have received unexpected business following the decision of the seven U.S. regional holding companies spun off by American Telephone & Telegraph, to seek listings of the London Stock Exchange.

Cazenove, broker to AT&T (Ma Bell), felt it could not continue to be broker to the seven small Bells when they come to the market next week and the New York Stock Exchange stops dealing in the old AT&T shares.

Six of the seven holding companies, which have Credit Suisse First Boston as their London bank adviser, are seeking listings on Wednesday. The seventh company, Ameritech, advised by S G Warburg, plans to get its listing on March 1.

The appointments will bring more prestige than profits to the brokers. Dealings in the shares of the company will continue to be conducted mainly in New York. But when the City faces deregulation and increased competition for both national and international business, the companies, which all rank in the U.S. Top 20 by assets, are welcome additions to the brokers' corporate client list.

FORECAST FOR 1984

Company	Revs $bn	Net earnings $m	Broker
Bell Atlantic	8	924	De Zoete & Bevan
Bell South	10	1,199	Scrimgeour Kemp Gee
Nynex	10	938	Rowe & Pitman
Pactel	8	828	James Capel
S W Bell	8	870	Scott Goff Hancock
U.S. West	7	878	Hoare Govett
Ameritech	8	924	Phillips & Drew

Commodore gets a royal salute for its computers

BY JASON CRISP

COMMODORE'S personal computers have joined Bollinger champagne, Coopers Oxford marmalade, Barbour jackets and Aspreys jewellery—by winning royal approval.

The UK subsidiary of Commodore Business Machines of Pennsylvania, U.S., yesterday proudly announced it had received a Royal Warrant from the Queen and become the first computer company to be given the coveted "By Appointment" symbol.

The award, however, is quite a blow to British pride as the microcomputer business is one of the few bright spots in the UK electronics industry. Companies such as Sinclair Research and Acorn are hardly going to be pleased to see a fierce U.S. rival get a royal blessing.

The Queen received a personal computer from another U.S. company, Hewlett-Packard, late last year as a personal gift which resulted from her visit to the U.S. She is believed to use it to keep track of her horses and their racing.

The Royal Family has been quick to join the rest of the world in the rush to computerise.

According to the Civil List, the royal households have spent £133,000 on word processors and computers in the past two years.

A palace spokesman said they were used mainly lo the accounts department which is thought to possess a Burroughs minicomputer — also from the U.S. One of the next targets for computerisation are the royal menus.

Yet another U.S. computer company, NCR, has the Royal Warrant—but only for its electronic accounting system. There are more than 800 companies with Royal Warrants from the Queen, the Queen Mother, Prince Philip and Prince Charles.

Companies which regularly supply goods and services to the Royal Family can apply for a warrant. Each applicatioo is considered on its merits, said a spokesman. Approval is powerful hlessing for the company's quality and also indicates the product is likely to he used for some time.

People who have tried, unsuccessfully, to receive the Royal Warraot say it is very difficult

Several foreign-owned companies have won the Royal Warrant but they usually have significaot UK subsidiaries. Commodore employs only 300 in the UK and has started assembling microcomputers In Corby. The company expects to employ aboot 1,000 hy the end of the year when it opens a oew factory and distributioo headquarters.

Cut in basic rate needed to restore tax levels

By Peter Riddell, Political Editor

THE BASIC rate of income tax of a married man on average earnings would have to fall from 30p in the pound at present to 23.4p to restore his tax payments in real terms to the level they were at before the Conservatives took office in 1979.

A Treasury parliamentary written answer shows the reduction in the basic rate of income tax in 1983-84 needed to restore tax payments, including income tax, National Insurance contributions and indirect taxes, to their 1978-1979 levels.

Overall, a reduction in the basic rate to restore tax payments in real terms to their 1978-79 levels would add a further 5 per cent to the 5 per cent increase in real take home income that households have already enjoyed over the period.

The figures nnderline the extent of the rise in the real tax hurden in the last five years and show wby Mr Nigel Lawson, the Chancellor, is so keen on raising the income-tax threshold.

However, the assumption behind the qnestion that the tax burden remains stable in real terms while gross pre-tax earnings rose by 5 per cent is somewbat unrealistic. A hetter guide is provided by the Treasury estimates that to restore tax payments to the same percentage of gross earnings as in 1978-79 wonid reqaire a 2.1p in the ponnd cut in the hasic rate for a married man on average earnings.

The figures underline how the least well-off bave experienced the largest relative rise in their tax payments. For instance, a single person on 75 per cent of average earnings would have to have his basic rate cut hy 8.6p in the pound to get hack to 1978-79 levels in real terms. For a single man on 150 per cent of average earnings the figure would be 6.2p in the pound.

Social security cuts 'essential' for tax plans

CUTS IN the health and social security budget are essential if the Government is to have room to raise tax thresholds, Mr Tony Newton, the Social Security Under Secretary said yesterday, Kevio Brown reports.

"We sbnnld not run away from attempting to make some contribntion to the curtailment of pnblic expenditure," he told the Commons in a debate on tbe welfare state.

"Unless we make a contrihution the chance of cutting tax thresholds will be very mnch rednced."

Mr Newton was defending the Government against Labour claims that it was starving social security of casb to finance tax cuts and benefits for the better-off.

His comments reinforce expectations that the Bndget prinrity will he tn raise threshnlds, leaving significant tax cuts

Mr Newtnn made clear that Mr Norman Fowler, the Social Services say will play a part in drafting the Government's consultative Green Paper nn lnoger-term pnhlic spending and taxation trends.

Asset strength of holiday crash fund to be investigated

BY KEVIN BROWN

THE GOVERNMENT yesterday promised an inquiry into claims that the state fund responsible for compensatiog customers of crasbed package holiday companies bas insufficient cash.

Tbe inquiry is expected to report in the summer—too late for this year's holidaymakera but in time for better protectioo to be included ln brochures for next year.

The Air Travel Reserve Fund Agency, set up in 1975 after the Court Line crash, repays holidaymakers wben the bonds set aside by the companies are insufficient to meet the loss.

It bas assets of £16m but Sir Kenneth Selby, the cbairman, suggested in his annual report that this might not he enough.

Announcing the review in the House of Commons, Mr David Mitchell, the Transport Under-Secretary, said there was little cbance of a crash big enougb to threaten the fund.

The inquiry will coosider whetber there sbould be more cash and whether boliday companies should be required to put up higger bonds.

It will look at whether holidaymakers should he expected to insure themselves and wbether the fund should be extended to cover scheduled airline services.

Mr Mitchell said: "The Government recognises the special position of those who pay in advance for expensive overseas holidays.

"Whatever changes might be made to the present system we must he sure that some arrangements exist wherehy holidaymakers can be certain that their deposits are safe."

The inquiry will not consider the plight of credit card bolders wbo, under certain circumstances, can lose the entire cost of their holiday. Tbe legal positioo is complicated, Mr Mitchell told MPs.

Holiday companies were attacked by Mr Dick Douglas, Labour MP for Dunfermline and a former agency member, for not separating customers' advance payments from their operatiog funds.

The collapse of Sir Freddie Laker's holiday empire indicateo that "£2.3m of money given by customers for holidays was beiug used by that organisation to finance the Skytrain operation."

This year holiday companies would take in £2bn from 8m customers. The Government should enforce segregation of the financial affairs of any company given an operating liceoce.

● People Express, the U.S. cheap-seat airline, will be entitled to operate seven services a week ln each direction between Newark and Gatwick this summer. At present it is entitled to five services a week.

Mr Mitchell said yesterday provision has been made for further increases in 1985 and 1986.

● Mr Nicholas Ridley, Transport Secretary, has dismissed British Airways' appeal against a Civil Aviation Authority decision to license British Midland Airways on the Heathrow-Belfast route in competition with BA's shuttle service.

BR gets signal to spend extra £24.5m on trains

BY HAZEL DUFFY, TRANSPORT CORRESPONDENT

BRITISH RAIL was giveo the go-ahead yesterday to invest £24.5m in new diesel trains. The approval means that in the past three months the Government has agreed to BR speoding £85.2m on new diesel and electric units.

BR has asked BR Engineering (Brel) and Metro-Cammell to tender for the 100 three-car diesel multiple unit (DMU) order. It will be a new design based oo four medium-weight DMU prototypes which BR plans to bring into aervice later this year.

The first productioo units will be iotroduced in 1985 and will replace the Class 120 DMU wbich BR brought into service in 1957. Tbey will be used on cross-country, urban and possibly commuter services.

Mr David Mitchell, the Transport Uoder-Secretary, said yesterday: "Together with the 150 lightweight DMUs we approved last month." This will be a major step forward in BR's plans for replacing the entire DMU fleet. The new vehicles will combine high performance with reliability, low maintenance costs and excellent passenger comfort."

BR has asked five companies to teoder for the lightweight DMUs — Brel, Metro-Cammell, Marshalls of Cambridge, Leyland, and Alexander Coachbuilders. The tenders are being evaluated and the successful bidder is expected to be announced next mooth.

Unilever plans switch to coal at power station

BY MAURICE SAMUELSON

A VOTE by local councillors next Wednesday is likely to decide the outcome of a £14m plan by the Unilever group to cut its fuel hills by converting the Port Sunlight power station from oil to coal.

The Unilever main board has approved the investmeot by UML, its subsidiary which runs the power station at Port Suolight and the adjacent Bromborough site.

The Government bas agreed to cover part of the cost through its coal-cooversion assistance scheme and regional development grants.

However, councillors in Wirral, Merseyside, have been divided over Unilever's proposal to bring in the 120,000 tonnes a year of coal by road rather than rail.

The Conservatives have a majority of two, but it may be cut by illness. Considerable extra investment would be necessary if the coal was to be imported by traio.

Abbey defers decision on mortgages

By Margaret Hughes

ABBEY NATIONAL will talk to other building societies over the next few days aod theo consider whether it should take independent actioo to cut mortgage rates.

Mr Joho Ellis, secretary of Abbey National, said yesterday he was disappoined that there had not been a majority on the Building Societies Association council in favour of cutting interest rates. However, he was heartened that many more societies oow supported Abbey's view.

Abbey still felt that there was room for a reduction in rates without inflow of funds suffering much, but there were always "Doubting Thomases who can find reasons for doing nothing," Mr Ellis sad.

Smaller societies were waiting for a lead from either the association or bigger societies.

Earlier, Mr Herbert Walden, chairman of the association, said the council majority view was that the time was not right to reduce rates given that the mortgage rate was not out of line with other lending rates and most societies still had a queue for mortgages.

Mr John Spalding, general manager of the Halifax, who before yesterday's meeting bad called for a 1 per cenetage point reduction in the rate, expressed disappointment with the council's decision.

The Halifax would not make any independent move to cut its rates, he said: "We are not going to take unilateral action just for the sake of it. We are not about to give our balances away to other societies who maintain their rates."

The Halifax would wait until the market persuaded other societies that rates had to be cut. It would not coosider any moves until after the Budget.

Reactor safety not sacrificed, inquiry told

By A Special Correspondent

SAFETY HAS not been sacrificed in the cause of economy on the Central Electricity Generating Board's pressurised water reactor project, the Sizewell B public inquiry was told yesterday.

Mr Brian George, the project director, was challenged by the Friends of the Earth environment pressure group on design changes of the proposed power station.

Mr John Howell, for the groups, said that since the original design was advanced in 1979, various features of the plant were dropped or changed. He suggested this was the result of pressure to reduce costs.

Mr George said that in some cases a cheaper method of solving problems was devised. This did not mean safety standards were lowered.

He said the board had never taken a decision which would have reduced standards.

Although some desirable features were missing, the revised design drawn up in 1981 reflected the same standards as the earlier design.

Some revisions were made to follow the basic design of Bechtel in the U.S. after it had been appointed consultant for Sizewell B.

The 1979 design was abandoned by the electricity hoard and the National Nuclear Corporation on cost grounds. A task force was set up under the chairmansbip of Sir Walter Marshall to produce a lower-priced version.

Print workers seek 10% pay rise

THE National Graphical Association and Sogat '82 yesterday submitted claims for a 10 per cent pay rise and a 35-hour week for members in the general printing industry.

A further meeting will take place between the aod the British Prioting lodustries Federation next Friday, though an offer is not expected at

Sogat '82 faces total confiscation of funds

By David Goodhart, Labour Staff

SOGAT '82, the print union, could face total sequestration of its funds if it has not by next Tuesday paid an outstanding £10,000 fine for contempt.

The fine was imposed for the union's refusal to lift its blacking of distribution of the Radio Times in London after the BBC had been granted an injunction under the terms of the Employment Act 1980.

Last week, on the same day that the fine was imposed, the union lifted the blacking, which arose from a dispute with the British Printing and Communication Corporation.

Sogat officials said the fine would not be paid—in line with union policy—but hoped that, as the original contempt had been removed, the courts might simply sequestrate the amount of the fine.

Senior union officials now believe that the new contempt involved in non-payment of the fine could lead to a freezing of all the union's £18m assets, as happened to the National Graphical Association in its dispute with the Messenger Newspaper Group.

● The NGA yesterday won a full hearing of the damages case brought against it by Mr Eddie Shah, chairman of Messenger Newspaper Group. Mr Shah had hoped his claim for about £75,000 in damages arising from the mass picketing in Warrington would be heard summarily. The full case, however, will now be heard at the end of the year.

Less pleasing for the union is that Labour-controlled Manchester Council has decided to keep its contract with Security Services, the company hired to protect Mr Shah's Warrington premises in the dispute.

Political levy deal shaky

BY JOHN LLOYD, INDUSTRIAL EDITOR

PROSPECTS OF an agreement between the Trades Union Congress and the Government on the political levy paid by union members are in a delicate balance. Many union leaders are hostile to an agreement.

Epoc, the TUC's employment policy and organisation committee, meets next Wednesday to consider an oral report from Mr Len Murray, TUC general secretary, on the progress made in negotiations between himself, Mr Tom King, Employment Secretary, and Mr Bill Keys, Epoc chairman.

It will also consider a proposal that the unions call on the Government to put the measures contained in its Trade Union Bill to a ballot of members of each union.

The Bill prescribes ballots for election of union executives, for strikes and for maintenance of political funds.

The plan is that those unions which voted to reject the Bill would retain their own rules. Only those which voted to accept the Bill's measures would be required to conform to them.

The idea, ironically, was floated in the Green Paper Democracy in Trade Unions, issued by Mr Norman Tebbit when he was Employment Secretary in January last year.

It was pressed on Mr King in December by the Compass group of professional unions, led by Mr John Lyons, general secretary of the Engineers and Managers Association.

It is backed by Mr John Smith, the shadow employment spokesman, who urged it on the Government in the Bill's committee stage. It was, however, rejected at that stage and while it may embarrass the Government it is not thought likely to deflect it from its main approach.

That approach has been to insist that the three main measures in the Bill are not negotiable and to confine the King-Murray-Keys talks to an attempt to obtain from the TUC a voluntary code.

This code would ensure that members who wished to contract-out of political levy payment have fair and open opportunity to do so.

If such an arrangement cannot be agreed, the Government has held open the threat of legislating for members to contract-in. This is a move which, it is assumed, would greatly reduce levy payments and severely damage Labour Party finances.

It has proved difficult to obtain agreement between the Government and the TUC on a mutually acceptable deal. The present outlook is pessimistic.

Some Epoc members are concerned that the talks have not ranged widely enough. They may press for a full meeting between the committee and Mr King, or possibly the Prime Minister, on the issue.

Labour HQ to be aided by political funds

By Philip Bassett, Labour Correspondent

TWO LEADING unions have agreed to make payments towards the cost of the Labour Party's London headquarters from their political rather than general funds after complaints were made against them under the Trade Union Act 1913.

The General, Municipal and Boilermakers Union has agreed with the Government's Certification Officer to use about £190,000 from its political fund as its contribution to Labour's headquarters in Walworth Road, and the Union of Communication Workers £56,146 from its fund.

Complaints were brought against the unions by individual members, supported by the Freedom Association, under section 3(2) of the Act. This governs the way unions can spend money in support of political objectives.

The two unions agreed to transfer the payments rather than wait for a ruling on the issue from the Certification Officer.

A complaint is outstanding about £200,000 made over by the Transport and General Workers Union from its general fund. The Amalgamated Union of Engineering Workers is conducting an internal investigation into a £200,000 payment.

All the complaints say the money came originally from general funds, in breach of the Act.

Ford strike rejected

FORD WORKERS at two more of the country's plants, Basildon Tractor and Dunton, both in Essex, yesterday rejected a union call to endorse a possible national strike over the planned closure of Ford's Thames Foundry at Dagenham, Essex.

Recognition removed

BY OUR LABOUR CORRESPONDENT

NABISCO, THE food company, has withdrawn recognition from sales force staff in its food and groceries division. The decision follows similar moves by ICI, Birds Eye, Tadworth Court Hospital and National Mutual. It is also a parallel to the Government's ban on trade unions at the Government Communications Headquarters, Cheltenham.

Nabisco staff affected will still be able to be members of the union involved, the Association of Scientific, Technical and Managerial Staffs, but the union will no longer be recognised for the purposes of collective bargaining.

The decision arises from the merger of three sales forces, employed by Nabisco, and by two other companies, including Huntley & Palmer Foods, which it took over.

The unionisation level in Associated Biscuits, the biscuits division of Huntley & Palmer, was thought to be about 50 per cent when the total sales force was about 360. Now, with the workforce's size reduced in the merger, to about 160, the union membership level is thought to be about 27 per cent.

Bakers Union approves action ballot at ABC

By David Goodhart, Labour Staff

THE EXECUTIVE of the Bakers Union has given approval for a ballot on industrial action throughout the bakeries owned by Associated British Foods.

About 400 union members have been on strike for more than five weeks at the Thomas Scott bakery on Merseyside, over compulsory redundancy.

The management said earlier in the week that the bakery would be closed unless the redundancies were accepted along with a no-strike agreement.

The staff involved earn between £7,000 and £10,000 a year. The union was told of the company's decision last month.

The union has rejected this. The ballot on spreading the action will be held on February 20 to 24.

Bears at the tiller

This week shows nothing if its does not demonstrate how vulnerable are stock markets around the world to setbacks on Wall Street, no matter what signals they are getting from their domestic economies.

The warning lights flashing on Wall Street put London into a spin on Monday and Tuesday with the FT 30 Share Index losing 32.7 points. Equity values fell by £5.5bn, the sharpest two-day decline on record, topping the previous record in September 1981 by a clear £1bn.

Cumulative concern over the U.S. economy, heightened when Mr Paul Volcker, chairman of the U.S. Federal Reserve, made clear his attitude to the budget deficit, was the key factor behind falling prices. It did not take much shift in sentiment to hit prices that had risen by 32 per cent in just over a year—judged by the FT-Actuaries All Share Index—and looked to have run out of steam ahead of next month's Budget.

A great many investors have been sitting on some tempting capital gains. And if equities are at best going to drift over the coming weeks, there are real returns to be had from the gilt sector or even a building society account.

So the herd of bulls that started to get restless last week stampeded once the scent of bears reached them, even if the bears were several thousand miles away across the Atlantic. The question now is whether this downturn is a short-lived correction that happens in any bull market or a deeper and more prolonged slide. By the end of the week prices had stabilised but all eyes were still watching New York.

The Government's launch of a £1bn long tap a week ago did little to help the gilt-edged market. The Government Broker pitched the price on the conventional 9½ per cent 1999 stock to give a yield of 10.5 per cent at the minimum tender price. This apparently generous offer was instantly construed to foreshadow all sorts of bearish news to come.

Some dealers assumed that the next set of banking figures (out last Tuesday) were going to be disappointing. Others took a more optimistic stance viewing the tap as an option by the Authorities to keep the funding door ajar with a partly paid stock rather than face a re-run of last year when there was a shortage of funding at a time of surging public spending.

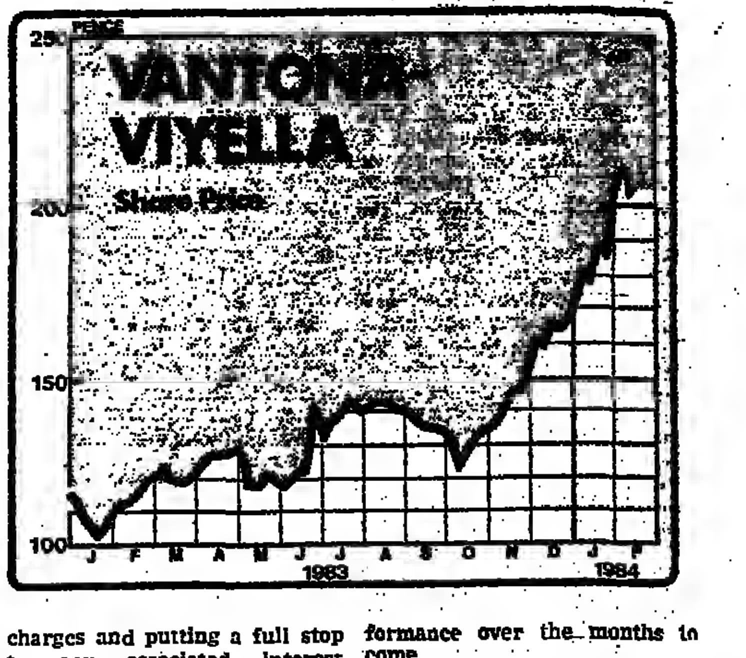
There were diverse opinions also over whether the terms were pitched cheaply against the market to force gilt prices down or whether the Broker had priced the issue in line with the yield curve for Government stocks. The market generally seemed to take the pessimistic view and dropped into line with the new stock.

Yet extrapolating the differing time areas and coupons to construct a yield curve is always open to some subjective interpretation and according to James Capel, at least, the minimum tender price was more or less in line. So perhaps the Broker was not trying to put a brake on prices after all. Still, given the nervous state of Throgmorton Street this week it hardly seems to matter now.

BOC disappoints

BOC played its part to help a falling market on its way this week, with first quarter profits of £31.3m against £16.6m. The market's disappointment was that while forecasts were around the £30m level, BOC's actual results included a £5.6m exceptional profit on the sale of a 6 per cent holding in Oxford Instruments.

When the market caught sight of the figures the shares fell 22p to 278p on the day—a drop of 7 per cent. On reflection the initial verdict was too harsh and the price made up some lost ground the next day. After all, profits were up 55 per cent (excluding the exceptional element) in the seasonally weakest period which takes in Christmas. Also the commisisoning of some major new U.S. plants for its graphite electrodes business had the effect of raising up depreciation charges and putting a full stop to any associated interest charges that were being capitalised.



But after the strong performance of last year when the group consistently surprised the City with good figures, analysts were tempted to read too much into the company's forecast of a substantial increase in profits this year—leastways in the near term.

Nevertheless the underlying trends of the first quarter were fairly much as everyone bad anticipated. There was a return to profit from the graphite division, but not good enough to offset welding losses. The main line business, industrial gases, showed a sound improvement on the back of industrial recovery, especially in the U.S., while medical activities kept up an impressive showing.

LONDON

ONLOOKER

So this initial disappointment should not really taint BOC's performance throughout the rest of the year. Welding losses should be eliminated while the other major divisions keep pushing ahead led by industrial gases. For the full year, profits will probably come out somewhere either side of £140m pretax. That would be good enough to back the current market capitalisation of £1.1bn.

Vantona Viyella

Full year figures from Vantona Viyella this week prove that the merger of Vantona with the larger, debt-burdened Carrington Viyella, just when it seemed to be tottering on the brink, has been a resolute success. A year ago the City was having serious doubts about the wisdom of Vantona's move.

The textile group was able to post pre-tax profits of £12.05m, well clearing last December's forecast of not less than £11m rushed out at the time ICI placed its 12.9 per cent holding in the market. The figures include a full 12 months from Vantona and nine from Carrington.

Timing was fortuitous, for last year provided a backdrop of sharply improving demand for textiles as the two groups knitted themselves together. Nevertheless the pace of turnround at Carrington's loss-making operations has been striking. No less so has been Vantona's ability to pull enough cash out of the combined group within nine months to wipe out the £25m overdraft, shouldered at birth.

With an extra three months from an increasingly profitable Carrington thrown in, Vantona Viyella should have little difficulty in getting its profits line over £17m or so this year. UK textile companies are gradually fighting back the tide of imports and there is little doubt that more productivity gains will flow from Carrington's under-utilised plant. Vantona will also be paying attention to Carrington's well known, but poorly employed, brand-names.

Shares in the textile sector generally have been performing well in the last few months and Vantona Viyella's price has been rising faster than most. The best of the rise may be over but even so the price could still show some solid relative performance over the months to come.

Rethinking Lonrho

Is there a change of heart towards Lonrho? The shares have come up by a quarter in the last three months relative to the market as a whole, so Lonrho must be doing something right.

Profits for the full year have come out at £113.2m, an increase of 50 per cent over the previous year and £13m higher than the mid-year forecast. Mr "Tiny" Rowland, chief executive, is confident that profits will continue to grow in 1984.

Rising commodity prices have played an important part in Lonrho's recovery—peak profits were over £118m in 1981—while the newer casino and hotels operations are showing their worth.

To put an extra shine on the results Mr Rowland reveals that the balance sheet will show cash balances of £109m compared with £56m while total net borrowings, putting aside the confirming business, are little changed at around 30 per cent of shareholders' funds.

Still the sceptics will remain and the seemingly never ending confrontations between Lonrho and House of Fraser can only aggravate their views. The change of heart, if there really is one, could prove fragile.

Sprightly Imps

Profits growth from Imperial Group this week justified the recent rise in the share price capping a steady recovery which has seen Imperial's market worth triple since 1981 when profits had declined to a little over £100m.

For the 12 months to October Imperial's pre-tax profits are up by £41m to £195.3m, a good £15m above most City expectations. All divisions turned in better contributions with Howard Johnson in the U.S. leading the field with a 24 per cent gain, thanks to the strength of the dollar. A £16.4m fall in the interest charge completes the picture.

Mr Geoffrey Kent, chairman, is talking of significant increases for the current year through progress at last year's rate is unlikely and for the present most of the excitement in terms of profits and share price is probably past.

The partial withdrawal of BAT from British cigarettes leaves around 3 to 4 per cent of the market up for grabs. Most of the major manufacturers can hope to pick up some of that and no doubt Imps will get its fair share. The exit of BAT also cuts down the odds of further price wars.

The outlook for the brewing and leisure businesses is not quite so encouraging. Consumer spending is unlikely to be as buoyant in 1984 as it was in 1983 while beer will continne to be a hostage to Budget fortune.

Finally the recovery at Howard Johnson still has some way to go and profits should see some useful growth following the rebuilding of its image under Imperial's guidance. The restaurant business in particular is showing encouraging expansion after the introduction of some new concepts. Hotels meantime will benefit from higher occupancy rates and better room rates. The only caveat is that Ho Jo's profits on consolidation will be partially at the mercy of the antics of the dollar.

TERRY GARRETT

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983/4 High	1983/4 Low	
F.T. Ind. Ord. Index	805.4	−27.0	840.5	598.4	Unnerved by Wall St. weakness
Atlantic Resources	540	−43	795	35	Rumours of operating difficulties
BOC	282	−25	307	170	Pft-tkg. after first-qtr. figs.
Berkeley Exploration	125	+22	125	53	Speculative demand
Black (Michael)	67	+11	165	40	Highgate & Job increased bid
Dew (George)	85	−23	115	85	Poor annual results
Grattan	82	+16	86	32	Revived bid speculation
Immed. Bus. Systems	77	−12	314	75	Heavier interim loss
Ladbroke	239	+14	250	160	Bid speculation
Munford & White	150	−50	250	150	Profits warning
Newmarket (1981)	420	−40	696	417	Proposed rights issue
Portinax Devs.	175	−50	575	150	Adverse Press article
Prince of Wales Hotels	138	+15	145	58	Bid from Taddalt Europe
Royal Bank of Scotland	212	+14	228	115	Revived bid speculation
Shell Transport	600	−48	663	403	Wall St. influences
Stylo	270	−65	340	100	Harris Queensway bid resisted
Vickers	131	− 8	145	86	Adverse comment
Weeks Pet. (Bermuda)	405	−57	500	90	Bell claims effective control
Whitworth Electric	50	−18	95	50	Sharply lower int. profits
York Trailer	40	+14	41	18	Newsletter recommendation

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Disapproval of the Budget

NEW YORK

TERRY DODSWORTH

MR LARRY WACHTEL, a Prudential-Bache guru who has the unenviable task of interpreting the capital markets on radio every morning, summed up the extraordinary events on the New York Stock Exchange this week with a characteristically caustic dealer's comment. "Wall Street," he told thousands of New York listeners, "has become the conscience of Washington."

The remark captured the market's feelings perfectly for once. This was the week when the markets finally lost their patience with the budget deficit and with a President who has refused to do anything about it while promising just the opposite. As Mr Reagan headed off across the continent on an electioneering jamboree to his home town and a long holiday weekend in California, the stock market plunge sent a warning volley of disapproval across his bows.

Wall Street has, of course, been worrying mildly about the deficit since the beginning of this year. But over the last fortnight two things have happened to bring this vaguely perceived problem into sharp focus. First, President Reagan went before Congress and virtually said that he was going to do nothing positive to try and reduce it this year: indeed, his temporising solution of a bi-partisan committee seems quite wrong-headed in an election year when the opposition can use the proceedings to dramatise the issue.

The second event was Mr Paul Volcker's measured exposition to the House Banking Committee of the fix in which the Federal Reserve Board now finds itself. Put briefly, his argument goes like this: the dependence on foreign capital to help finance the deficit makes it difficult to bring rates down and a determined push from the Fed might even cause an uncontrollable collapse in the dollar; if, on the other hand, the central bank does not ease up over the longer term, the constraints on the money supply could choke off the recovery.

Mr Volcker argues that the Government, therefore, needs to act in a controlled manner on the deficit, bringing it down steadily in a way that would allow an easing of rates without an explosion in money growth. The hope is that this would lead to his ideal of healthy, sustained, non-inflationary expansion. In the meantime, the pressures that are building up in credit demand might not be good for the markets. "Markets," he said, in a rare flight of fancy, "have a mind of their own. They have never waited on the convenience of kings, or Congressmen—or elections."

That collection of millions of decision makers who propel the New York markets one way or the other, acted with rare unanimity to this Washington vignette. Shares slumped by almost 23 points on Monday, rallied unconvincingly on Tuesday, lost a further 24 points in free fall on Wednesday (the worst day since October 25 1982), and churned around trying to find a bottom in a heavy bout of trading the following day. By the final bell on Thursday, the Dow Jones Industrial Average had fallen by 45 points since the publication of Mr Volcker's monetary report to Congress on Monday, and was more than 135 points down on the near-record figure touched on January 6. The last time the Dow was at current levels was back on April 12 last year.

Mr Volcker has skittled the index so comprehensively mainly because he appears to have put a clear floor under interest rates. If rates are not heading down—and the post Christmas consensus was that they would—equities appear heavily overvalued on a yield basis. Midway through January, first class commercial paper was yielding around 13 per cent, while Salomon Brothers' dividend estimates for 1983 put the broadly-based S and P 500 index on a yield of 4.3 per cent. With the S and P down to the 155 point region by the end of this week, the yield has moved back in the right direction to around 4.7 per cent.

At the same time, the strength of interest rates has begun to make it look less certain that corporate profits can maintain the kind of momentum that Wall Street had been predicting.

The air waves have been full of the noise of analysts ripping up their projections this week as they fall foul of one after another (sometimes improbable) anxiety — productivity growth is supposed to be stalling, companies finding it more difficult to push through price increases, and wages rising faster than expected.

Mr Volcker has tried to stop the rot by arguing that Wall Street's reaction to his warnings has been "overblown." But the market is now in the bearish sort of state where virtually all news, as E. F. Hutton put it in its weekly circular: is bad news. Looking back, this attitude seemed to set in when IBM brought in its superlative 1983 figures in mid January and the market promptly knocked back the shares. It was capped this week when General Motors' figures shattered virtually every financial record in its own personal Olympiad and investors virtually ignored them in the rush for the market exits.

MONDAY	1174.31	−22.72
TUESDAY	1180.49	+ 6.18
WEDNESDAY	1156.30	−24.19
THURSDAY	1152.74	− 3.56

Written down, but not off

MINING

KENNETH MARSTON

STEAM rising from the cold douche which has hit an overheated Wall Street and U.S. dollar this week should not be allowed to obscure the fact that the mining industry is still heading for a better year—even if some of the share prices are looking rather soggy.

Of course you have to be an optimist if you are in any way involved with the mining industry, as I may have remarked before. One such is Mr Pierre Gousseland, chairman of Amax, the U.S. natural resource major which built up its fortunes on molybdenum, the steel industry metal.

Those fortunes have wilted with the demise of the market for molybdenum which is expected to continue to be a loss-maker for Amax this year. Copper is not doing very well either and Amax has had to write off some $308.8m (£218.6m) from its interests in these metals.

As a result the company's fourth quarter loss has expanded to a worst-ever $366.9m. It makes an awesome total loss for 1983 of $489m which follows a loss of $390.1m in 1982. And yet Mr Gousseland was looking positively cheerful when I saw him this week.

The answer can be summed up in one word—aluminium. Demand for this metal has recovered sharply and is still growing. It lifted aluminium prices by over 40 per cent last year to an average 65 cents per lb and at the current level of over 80 cents the metal is providing a bonanza for the producers.

The only thing that may be giving them some thought for concern is that if prices go much higher consumers will look again at the merits of the rival metal, copper, prices of which are wallowing at around 63 cents per lb; there is a lot of it about, as they say.

Still, this does not perturb Amax. Having greatly expanded its aluminium interests by the acquisition of Pechiney's Howmet subsidiary, Amax expects to earn more from aluminium this year than it ever did from molybdenum, even in the halcyon days when the latter metal provided 65 per cent of the company's profits.

Aluminium has also grown in importance for CRA, the major Australian arm of the Rio Tinto-Zinc group. CRA holds 67 per cent of the Australian aluminium-producing Comalco which lost A$4.38m (£2.87m) in the first half of last year, largely as a result of heavy interest charges on money borrowed for expansion.

Since then the new production capacity has progressively come on stream and started to earn good profits. The result has been that in the second half of last year Comalco did so well that it came out of 1983 with a profit of A$26.4m.

It should do even better this year. As the company says: "1984 should see the (aluminium) industry continue to improve . . . hopefully leading to an adequate return to the industry to compensate at least in part for three years of unacceptably low levels of profitability."

A great deal of electric power is needed in the production of aluminium and Australia has the benefit of relatively cheap power supplies. Furthermore, the country is well placed to take advantage of the important Asian market.

Indeed, Sir James Foots, the previous chairman of MIM Holdings, pointed last year to growing demand for Australian minerals from Asia and the Pacific Basin. CRA is also well aware of this huge potential for its diversified mineral products and is already moving in.

It is possible that one day the Pacific Rim may be a more important factor for Australia than even the U.S. economy. It's only a thought, but it may provide some consolation for holders of CRA who have seen their shares wilt this week from 378p to 356p in deference to the trend on Wall Street.

In the world of nickel, life is still far from easy. At this time last year there were high hopes tha tprices of this steel industry metal would show a good recovery.

Such hopes proved short-lived, however, and Canada's major producer, Inco, received an average price for its metal of only $2.25 per pound compared wi th $2.71 in 1982 but at least it was able to increase sales.

Fourth quarter results for 1982 announced this week show a further loss of US$54.6m (£38.6m) which makes a total loss for the year of $234.9m compared with a restated loss of $203.3m for 1982.

The rival Falconbridge managed to move into profit in the fourth quarter but still showed a loss on the year of C$18.4m before extraordinary items.

Like other mining majors, both Inco and Falconbridge have been increasing productivity and general efficiency by their cost-cutting programmes. Inco has said that its 1984 results should improve "significantly" over those of 1983, although the metal price is currently only around $2.15 per pound.

The general feeling is that the nickel market is over the worst although the average price for this year is not expected to be more than around $2.50 per pound. This could still make quite a difference to these producers which are currently operating in the barely "break-even" area."

It would also help Australia's Western Mining which, with the help of its important gold interests, has done well in the first half of its year to next June.

The prices received in Australian dollars for the company's U.S. dollar sales of nickel and gold have benefitted by favourable exchange rates and net profits for the half-year have risen to A$18.1m from only A$1.24 a year ago.

Aluminium also comes into the Western Mining picture via the 30.5 per cent-owned Alcoa of Australia. In all, therefore, Western Mining should see a further rise in earnings in the second half.

Tempering this view to some extent would be any easing in the value of the U.S. dollar which would erode the exchange rate benefit on metal sales' income. On the other hand it might well be accompanied by a rise in the dollar price of gold.

Sale by a receiver

BY OUR LEGAL STAFF

In April 1969, my wife and I guaranteed a fixed and floating debenture in respect of a group of companies of which we were directors and major shareholders. In October 1971, the companies went into liquidation, the official receiver being appointed liquidator. However, before the winding-up order was made, the debenture holders appointed a receiver and manager. First of all the company's assets were disposed of at a gross under-value then two of our personal assets were sold. The receiver has never supplied copies of his payments and receipts to either the companies or my wife and self.

In November 1973 my wife and I were made personally bankrupt. The debenture holder's receiver and manager did not make any claim in the bankruptcy, but took the charged securities. My wife and I were discharged from bankruptcy in 1977.

The final asset which was originally in the names of my wife and self consists of 26 acres of land designated for residential development. The land is about to be sold by the debenture holder's receiver for circa £750,000. The debenture holders claim about £300,000 of this, made up of about £70,000 capital and the remainder grossed-up interest.

I should like to know the answers to the following:
1) Will the surplus on the receiver's sale be paid to my wife and me, or will it be paid to our Trustee in Bankruptcy?
2) Regarding the sales of freehold land and buildings at a gross under-value by the Receiver and Manager, is it too late to make a claim for negligence?
3) Is it possible to force the Receiver and Manager to render accounts to myself in respect of our assets and the sale of same?
4) Are the matters referred to above affected by the following authorities: a) Cuckmere Brick Co Ltd. v Mutual Finance Ltd (1971) Ch. 949; b) Standard Chartered Bank v Walker and another (before Court of Appeal June 17 1982 — Lords Denning, L. J. Watkins and L. J. Fox) — "The Times."

The surplus on sale of the land should be paid to you and your wife.

If, as seems to be the case, *the sales at an undervalue* were effected before 1978, it is too late to make a claim against the receiver.

We think that the receiver is an accounting party and can therefore be required to render accounts showing his dealings with the company's assets, and yours, but that will not revive a cause of action for a sale made negligently over six years ago.

Both the cases you cite have relevance but neither will assist in respect of the sale of the company's assets in 1971 or 1972. The Standard Chartered Bank case is reported in (1972) 1WLR 1410.

Held over CGT

I have a tenanted house, inherited in 1965, probate value £617, present rent £8 per week, and would like to convey this to three sons equally. Would it be possible to have capital gains tax held over? If so, could you please inform me of the correct procedure regarding the Inland Revenue?

Yes. The solicitor who prepares the conveyance of the property to your sons (as tenants in common, presumably) will be able to draft a simple letter to your tax inspector, for signature by all four of you.

Surrender of tenancy

I inherited a house in 1967 occupied by a sitting tenant. The rent is controlled and barely brings in enough to maintain the outside of the property. It has been reroofed, new bathroom fittings installed and a new sink during the past few years in addition to the painting and general maintenance of the outside, the cost of which has been allowed against income for tax purposes. The tenant is now willing to vacate the property provided I pay compensation and a figure of £2,000 has been mentioned.
Can you please tell me whether payment of such compensation is legal and would be binding ie the tenant could not come back later and repudiate the deal.

A contract to surrender a tenancy which is a protected tenancy, even where it is in consideration of a sum such as you mention, is NOT enforceable by the landlord, but it can be enforced by the tenant. If such a contract has been completed, the money paid and the tenant gone out of possession, it would not be set aside.

Joint account rights

Could you please tell me if the true joint account (Finance and the Family, December 10) refers to (a) joint account—both to sign, or (b) joint account—either to sign?
I together with my mother have for a number of years operated an account under (a), and I would like to know if in your opinion the same rights and implications outlined in your reply would apply to this type of joint account, or must one change to (b) type of account.

Both of the situations which you describe normally constitute true joint accounts, and the terms of our earlier reply would apply.

A disputed boundary

With reference to your answer headed "A disputed boundary" (December 17 1983). I was most intrigued with your last sentence, ie "There is no way to trace the registered title."
Could you please tell me why? Is it because the original deeds are destroyed when we have a "registered title"?

After registration of title the original deeds are not required as part of the documentation necessary to prove ownership. Hence they may be destroyed (or sold) or simply retained by an intermediate vendor, and they cannot therefore be traced if they are not passed on with the Land Certificate. However that does not mean that old deeds will not be available in every case—only that if not produced they cannot be required or readily traced.

Safeguarding children in wills

My wife has a quarter share in the equity of three commercial properties. In her Will I benefit from the income, but the equity transfers to our two children. If I pre-deceased by wife, pressure could develop (re-marriage etc) to change the Will. My wife and I wish to safeguard our children against this.
We realise that forming a trust would do so, but feel that we cannot justify the Stamp Duty or Capital Transfer Tax
Can you offer advice please?

Your wife can contract (for valuable consideration e.g. £10, or by deed), with her sons not to alter her will. This will not prevent her being able to alter her will, but would give the disappointed beneficiaries a cause of action against the estate so that they could recover in damages what they would lose in legacies.

Sole control of CGT

In your "Finance and the Family" column your Legal Staff advised an enquirer (December 10, 1983) that a joint account of father and daughter would not *count* as a gift for CTT purposes if "you so operate the joint account as to demonstrate that in reality you retain sole control of the money."

Could you further advise as to how this can be done? Would it mean, for instance, that during this lifetime only the father has a right to withdraw or dispose of the money, while the daughter has this right only after his death? Or, what other arrangement would "demonstrate sole control?"

It is a question of fact in each case whether there has been joint operation or control of the account in reality. If all payments in and withdrawals are made by one only of the joint owners and the deposits are provided from the funds of that one owner the sole control would normally be established. It must be borne in mind that if the account is in two or more names the bank may well feel unable to refuse to accept the directions of the account owners, even where an owner has previously been completely inactive.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

INVESTMENT TRUSTS

Finding a way into pension plans

THE CURRENT Government inquiry into portable pensions has highlighted several restrictive practices within the current pensions framework, most of which have been imposed by the Inland Revenue.

One such practice is that which requires the self-employed to save for their pensions through a life company contract in order to qualify for the generous tax concessions available.

Thus if the self-employed seek to build up their own share portfolios to provide their pension, the investment will be treated by the taxman in the same way as any other form of individual savings—and clobbered accordingly.

This is of general concern to the Stock Exchange seeking to attract back the private investor. But investment trust managers are even more worried. Increasingly under pressure from big institutional shareholders they want to expand their private share ownership. They feel that investment trusts can provide pension savers with investment expertise and spread of risk on a par with unit trusts.

Over the past four years, various schemes have appeared which enable the self-employed effectively to run their own DIY pension fund.

This week, the Edinburgh-based Stewart Fund Managers found a way around the bar on marketing investment trust shares to the self-employed pension market using a similar principle to that of the DIY schemes.

It has linked up with Sun Life Assurance to launch a new special fund for Sun Life's personal pension contracts. The unitised fund will have Stewart as the fund managers and though the investment powers are wide, the fund will invest in shares of Scottish American Investment Company, known as Saints. The new fund is called appropriately the Saints personal pension plan.

The fund is available only on single premium contracts. The policy of the fund managers is to hold Scottish American shares at all times, with the gross dividends paid being re-invested in the shares. The managers may hold cash on a temporary basis, awaiting a more favourable time to buy. But no shares will be sold unless this is necessary to meet any liquidity requirements.

Thus the fund is effectively an investment in Scottish American shares. *If the self-employed* wants to invest some or all of his contributions in these shares, he buys units in the Saints fund. If he wishes to sell the shares, he simply switches to another fund under the policy. There are eight, including a cash fund.

Other investment trust management groups could well follow the lead of Stewart and link with a life company. But what does this new fund offer self-employed people investing their pension money that unit trusts or unit-linked equity schemes do not offer?

The first difference between investment trusts and unit trusts is that investment trusts' shares prices stand at a significant discount to the underlying asset values, whereas unit trust prices are the asset value prices. Scottish American's discount is around 26 per cent at present.

This can operate either way as far as investors are concerned. Over the past five years discounts have come down from very high levels, and this has been one reason why investment trusts have outperformed unit trusts in recent years. Scottish American will now hope that the extra demand generated by the Sun Life scheme will help the discount to come down further.

But investors should be aware that this is a rather specialised trust. Those buying Scottish American shares are investing in a fund that is spread 50 per cent in North America, nearly 30 per cent quoted UK and 10 per cent unquoted UK. Investors need to check out the underlying asset distribution.

Eric Short

Rising with the rising sun

ANY INVESTOR who bought shares in investment trusts specialising in Japanese stocks at the beginning of 1983 and sold them a year later is probably still celebrating on the proceeds. In terms of asset performance there was not a sector to touch it last year.

Depending on who draws up the league table there is a little bit of shuffling for position as top performer last year. But when investments have doubled in value over 12 months few shareholders are going to quibble over a percentage point or two.

According to Phil Butt of stockbrokers de Zoete & Bevan the top five performers in terms of asset appreciation amongst the major trusts were all funds devoted to the Japanese stock market.

On his league table, New Tokyo holds top slot with a gain of 102.5 per cent followed by Baillie Gifford Japan—99.0 per cent, Japan Assets—90.0 per cent, Crescent Japan—69.5 per cent and GT Japan with 68.5 per cent. Fleming Japan just gets into the top ten with an increase of 51.8 per cent while the other major trust, *Drayton Japan*, is not far behind.

With the Tokyo market in full swing it is hardly surprising that British investors were willing to chase the thin ranks of specialist Japanese trusts. When it comes to share price performance during 1983 the first three trusts are all from that sector, headed by Baillie Gifford with a 111.5 per cent increase.

And with the enthusiasm came the rare sight of investment trust shares changing hands in the stock market at, or even above, net asset value. No matter how much the Association of Investment Trust Companies promotes the trust movement as a whole as an ideal medium for investing in equities, prices usually stand at a substantial discount to underlying assets. An investor who is willing to pay more for a trust than its assets are worth has to have a rare faith in the prospects for future performance.

The attractions of Japan are understandable enough. With the economy undergoing a strong export-led recovery and corporate profits beginning to climb rapidly Tokyo stock market prices have been surging. The Nikkei-Dow Jones Index has climbed from 8,021.4 at the beginning of 1983 to pass through the 10,000 level for the first time ever just over a year later.

The course of the broader-based Tokyo Stock Exchange 1st section has been no less impressive. In sterling terms, adjusting for a depreciation in the pound of 11¼ per cent, the first section rose by close to 40 per cent. The more volatile second section, taking in the sexy junior stocks, virtually doubled in sterling terms over the 12 months.

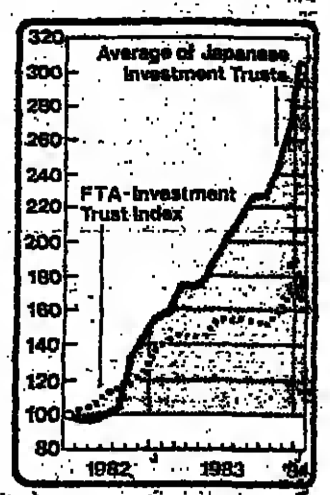
After such an advance the obvious doubt is whether the market has topped out, in which case those London investment trust prices would be valuable.

On fundamental grounds, however, the Japanese market as a whole does not look overplayed yet. In the fiscal year to March 1984 corporate profits will grow by around 40 per cent according to stockbrokers Grieveson Grant, slowing to 20 per cent or so for the following year.

Graham MacLennan, one of Edinburgh's gurus on the Japanese market at Edinburgh Fund Managers looking after New Tokyo and Crescent Japan, believes the market is ripe for a major shift of policy, away from the high-flying technology stocks standing on earnings multiples of between 50 and 100, to the calmer waters of companies that will benefit from a consumer upswing.

Ivory & Sime, which manages Japan Assets, may have a different investment style to Edinburgh Fund Managers in that it tends to buy stocks and stick with them, but the managers there are equally cautious about the state of the market. They think there could be a short sharp fall in the coming weeks.

But as Hamish Buchanan of stockbrokers Wood McKenzie points out: "The managers of most of these trusts are very nimble. The name of the game in Japan is to take profits and pick the sectors carefully. You would have to feel very bearish about Japan to get out of these trusts now."

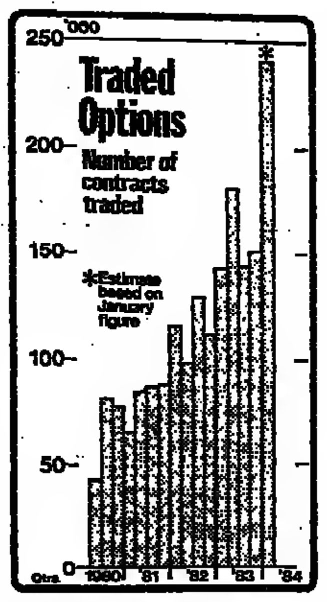


Terry Garrett

TRADED OPTIONS

A cheaper way for pessimists

CHARLES BATCHELOR explains how an emerging financial instrument can be used to hedge your risk.



WITH THE end of the financial year in sight, investors sitting on large capital gains made in the stock market should consider traded options as a way of minimising their tax liability.

With many shares currently near their all-time highs, writing an option on shares you already own will allow you to protect your investment against a fall in the market over the next few months. At the same time you could defer the tax liability which arises from the sale of the shares into the 1984-85 tax year, starting on April 5.

"Lots of private clients want to fix their selling price at present levels but they don't want to be taxed this year," comments one options specialist. "Writing a deep-in-the-money call option (where the exercise price is well below the current market price of the underlying stock) to ensure that the stock is definitely taken from you, is proving very popular."

To understand how this would work, assume that you wish to sell your shares in Marks & Spencer. Instead, you decide to hedge the shares by using the Marks & Spencer 200p April call option costing 27p. Writing, that is selling, the "call" option will give you an immediate profit of 27p nominally taxable this year, as a capital gain (see panel).

It is at times like these, when the end of a financial year makes tax considerations particularly important, or at times of uncertainty, such as before the last general election, that the hedging opportunities of traded options, are highlighted. This allows the backers of traded options to stress their role in a conservative investment strategy rather than as a speculative vehicle.

It has been an uphill struggle for the traded options market over the past six years to establish a reasonable volume of business. Its supporters have had to overcome the speculative image that attaches to options, the unwillingness of the Stock Exchange to commit substantial funds to the venture, uncertainties over the tax position of many potential participants and the unfamiliarity of the subject.

The traded options market, which takes up part of the Stock Exchange floor, has traded about 4,500 contracts a day over the past two weeks compared with around 4,000 a day in early January. The European Options Exchange, launched in Amsterdam in April 1978, a few weeks before trading started in London, has recently been handling six to seven times these volumes though the value of individual contracts in Amsterdam is generally smaller.

Options are now available in London on 24 leading stocks—including BP, Courtaulds, Commercial Union, GEC, Marks and Spencer, Racal, Beecham, and Hanson Trust. These shares account for nearly 30 per cent of the FT-Actuaries All Share index in terms of market capitalisation. But it also remains possible to negotiate an option on other shares through a broker, although such options cannot be traded. The Stock Exchange's options market committee is now considering the introduction of a stock index option, based on the movements of 100 of the largest UK companies, and at a gilt option, based either on a basket of gilts or a long-dated gilt with a large volume in issue.

● An option is the right to buy or sell shares in a particular company at a fixed price and on a specific date up to nine months ahead. Options conferring the right to buy are known as "calls," options to sell are "puts."

The simplest form of option transaction is the purchase of a "call" option in a stock which the investor expects to increase in value. For example, suppose that with ABC Company's shares standing at 280p in January you buy and April 310p option at, say, 17p. By the time the option expires in April the stock has risen to 350p. This means you have the right to buy the shares at 310p and sell at 350p to show a gross profit of 40p. Deduct the cost of your option and your net profit is (40—17p) 23p. Options are traded in contracts for, in most cases 1,000 shares, so your profit on a contract is 1,000 x 23p.

This example ignores dealing costs which start at £1.50 per contract, with a minimum of £10, rising to 2½ per cent on the first £5,000 of premium and smaller percentages above that.

The holder of the option does not need actually to buy the shares unless he wants them for a long-term investment. He may realise his profit by selling the option in the market for 40p.

A "put" is a mirror image of this transaction. The investor buys the right to sell the shares at the current price hoping they will fall. When the time comes to deliver them he will be able to buy them in the stock market at the lower price prevailing and sell them at the higher price agreed under the option contract.

Not an optional tax

THE METHOD of taxing options on shares has long been the subject of esoteric disputation.

Until 1980, the taxman treated all options, crudely and often unfairly, as wasting assets whose residual value was nil. But since then London traded options (and those traded on approved foreign stock markets) have been subjected to more favourable rules although the more traditional untraded call, put and double options are still regarded as wasting assets.

Unless the investor is a professional trader, the profits and losses from traded option dealing will be subject to the rules of capital gains tax.

In the simplest case, where the investor buys a call option and then exercises it, the cost of the option is added to the cost of the shares, thus reducing any capital gains liable to tax. The rules of indexation, however, apply, partly from the month in which the option is brought and partly from the month in which the shares are bought.

When a put option is bought and exercised, the cost of the option may be deducted from the sale price.

If any traded option is bought and later sold, then profits or losses are treated in the same way as capital gains or losses from share dealing.

The rules for writing (i.e. selling) options are more complex. When you sell an option which is not exercised against you by the expiry date, then the option's entire sale price is liable to capital gains tax. Thus in the example quoted in the article, the investor would be liable to tax on a capital gain of 27p per Marks and Spencer call option, in the tax year when the option was sold, i.e. 1983-84.

But if the call option you have written is exercised against you, then the sale price of the option is added to the sale price of the shares for tax purposes. In the Marks and Spencer example, this would give you a total price of 200p plus 27p, i.e. 227p.

If you actually bought the shares for 210p, your capital gain would be 17p per share (minus any indexation). If you bought the shares for 240p, your capital loss would be 13p per share.

But in this example, if the option was written in the current tax year 1983-84, but exercised only after April 5 (which it would be if the expiry date was April 25), then the investor appears to have made a capital gain in 1983-1984.

But, although he will have to declare his option writing as a capital gain in his 1983-1984 tax form, he will not be obliged to pay any capital gains tax on this, provided he tells his tax inspector of the subsequent exercise of the option against him. Whether he ultimately makes a 17p gain per share or a 13p loss, his CGT position will be affected in 1984-85 only.

If an option you have written has not yet expired by the time you fill in your tax form—and so you do not yet know whether it will be exercised against you—your tax inspector will normally agree to wait before assessing you on your 1983-84 option writing.

Thus, curiously, your tax liability in one year will be affected by events beyond your control in the subsequent year.

In all these cases of writing a call option, the inflation indexation allowance runs from when you originally bought the shares to the month in which the option is exercised against you.

If you write a put option which is exercised against you, the price at which you sell the option is offset against the cost to you of buying the shares. Only the net cost is eligible for indexation.

If April 5 intervenes before the option is exercised against you, the same rules apply as for writing a call option.

Further details on the taxation of traded options are supplied in a booklet produced by accountants Spicer and Pegler (London office telephone: 01-283 3070).

Clive Wolman

The traded option patch on the Stock Exchange

Risks of a worthless guarantee

ERIC SHORT on the problems exposed by a recent insurance company collapse.

LAST WEEK, the Secretary of State for Trade and Industry petitioned for the winding-up of Cavalier Insurance Company, thus writing a further chapter in the extended warranty insurance scandal surrounding the marketing company, Multi-Guarantee.

Extended warranty provides insurance against the cost of replacing defective parts and servicing household goods and cars after the manufacturer's warranty has expired. The business has mushroomed over the past few years. Retailers sell insurance schemes to customers at the points of sale.

Multi-Guarantee blossomed by offering warranty schemes for retailers. But the methods used in underwriting the risks were questionable. Cavalier Insurance was not authorised by the Department of Trade to write extended warranty business, but it was used by Multi-Guarantee for its schemes.

Normally consumers with extended warranty schemes through Multi-Guarantee and Cavalier would not be unduly perturbed. After all, the previous Labour Government brought in the Policyholders Protection Act in 1975 to ensure that the public did not suffer undue financial loss when an insurance company ran into financial difficulties.

The Act guarantees that policyholders will receive 90 per cent of their insurance benefits.

But apparently this is not the case for Cavalier. The Official Receiver has warned policyholders with claims that they cannot expect to receive anything. So what has gone wroog?

The operation of the Act has been affected by the judgment given last November.

The essence is that where an insurance contract is prohibited by statute, it is void. Thus since Cavalier was not authorised to write extended warranty business those contracts issued were illegal and thus void.

It is known that Cavalier had received over £1m in premiums on extended warranty business and that there were around 130,000 consumers with insurance.

The liquidation petition suggested that some £700,000 of money had beeo misappropriated, and referred to fraud.

This is a highly unsatisfactory state of affairs. The Policyholders Protectioo Act was designed to protect policyholders when an insurance company ran into financial problems per se. It was not intended to carry its own clauses in small print.

The responsibility for policing the insurance industry rests squarely with the DTI, though the Department does not have a system for monitoring that insurance companies do not exceed their authorisation. The department was nnaware of the activities of Cavalier until alerted by a Press article.

WORLD STOCK MARKETS

After the year of the French

Our series continues with a report from DAVID MARSH in Paris

THE FRENCH stock market, after its initial fright at President Mitterrand's election victory in May 1981, broke all records for price advances and transactions volumes in 1983.

The Socialist Government has ushered in a series of reforms designed to encourage savings and wake up the traditionally somnolent French financial markets.

Perhaps most important of all, Paris is starting to wriggle alive again as an international trading centre. U.S. and UK institutional investors have been beating a path to the door of Paris stockbrokers over the last year.

In a market which remains a weakling by the standards of London and New York, a relatively small amount of foreign money can go a long way.

Investment inflows from UK pension funds and insurance companies in December 1982, and particularly in March last year, played an important part in starting last year's rally, according to Paris stockbrokers.

In the opposite direction, many Paris stockbrokers' clients are also being tempted to invest funds abroad—in spite of the exchange control "premium" which requires currency purchases for such purposes to be made at a punitive rate which is now at more than FFr 11 to the dollar.

Overall transactions on the bourse, roughly one-third in equities and two-thirds in bonds, rose 53 per cent last year to FFr 330bn, well over double the volume in the moribund year of 1981 when the Socialists came to power.

The bourse rise has paradoxically been accompanied by stagnation in the economy as a whole and worsening financial problems in the French industrial heartlands comprising the steel, shipyards and coal sectors. But the Government is striving to increase corporate profits and investors have been cheered by efforts to tackle difficulties caused by its tough industrial policies in troubled sectors which its right-wing predecessor could not put into effect because of union opposition.

There is a surprising consensus among bourse dealers that if the Right were now to return to office, the stock market would fall.

Additionally, the nationalisations of 1982, which at the time wiped off more than 10 per cent of bourse capitalisation, have now turned out to be a blessing in disguise.

A number of large industrial groups which were anyway in difficulties have been taken off the bourse listings. They are being restructured with taxpayers' funds. And their shareholders have been rewarded with compensation terms which now seem rather generous.

Roughly one third of quoted companies on the Paris market led last year's advance. One important segment comprises around 100 export-orientated stocks, especially those in the agro-food business or in high technology, which have been insulated from the domestic recession because of their spread of activities. This sector includes such stalwart "vedettes" as Generale Biscuit (which led last year's price advances with a 253 per cent jump), Essilor, Pernod Ricard, Roussel-Uclaf, Martell, L'Oreal, Perrier, Bic, BSN and Moet Hennessy.

Additionally, around 150 stocks benefited from the domestic downturn to trim their staff, improve productivity and cut losses. Leaders in this "recovery field" include Sommer-Allibert, DMC, Scoa, Societe Generale de Fonderie and Michelin.

Even accounting for last year's heady rise, some stockbrokers say parts of the bourse still look cheap—for instance in the retail sector, which was left out of the 1983 advance.

The Socialist Government has passed a number of tax incentives to encourage investment in shares and bonds. These go beyond the equity-favouring legislation introduced by M René Monory, the previous Economics Minister, in 1977-78. And the Finance Ministry has prodded the Paris stockbrokers' association to launch a second-tier market, modelled closely on the London Unlisted Securities Market, to boost the flow of small companies seeking a bourse quotation.

Under new rules which speed up formalities, lower costs and enable companies to float only 10 per cent of their shares, a total of 18 small- and medium-sized companies launched their shares on this market last year, an issuing rate about 30 per cent more than expected. Perhaps 25 new issues are due this year. Some banks and brokers are making efforts to increase foreign investors' appetites in the "second market." Societe Generale, for instance, has set up a fund in London to draw in foreign buying to this sector.

Increased personal investor interest (mainly through unit trusts offered special tax breaks) may have taken the percentage of equities owned by individuals to close to 50 per cent of outstanding shares, according to some estimates. The split in recent years has normally been about 60 per cent institutions, 40 per cent individuals. The higher personal proportion compared with some other stock markets is a result of the scarcity of widely based French pension funds investing in equities.

The French equity market still suffers from several handicaps. Liquidity is not as high as in other major exchanges. Investors are often unable to unload large holdings. Often quotations are suspended when prices move by more than 7 per cent in either direction to encourage orderly trading, but this can hold up price fixing.

The exchange is not expected to move to continuous computerised trading for some years. There are no strict rules to prevent insider trading.

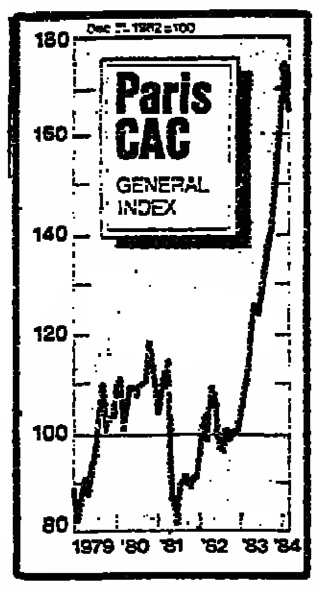
Regulations covering the disclosure of financial information by quoted companies are inadequate. Most companies publish results only once a year and there is no system to ensure that the news is communicated simultaneously to all interested parties.

Equity dealing commissions start at 0.65 per cent for transactions of less than FFr 650,000, falling progressively to 0.15 per cent for transactions over FFr 2.2m.

One curiosity of French share dealing is the forward market, on which most shares are traded. Investors fix a price during the four-weekly accounting period, which generally starts on the 22nd or 23rd of the month, but do not pay up until the end of the month. If a deal is struck at the start of an accounting period, this means a five-week breathing space.

This gives foreign investors an opportunity to indulge in currency speculation by running uncovered positions. During the run-up to the long-anticipated franc devaluation last March, British insurance companies made considerable profits by buying forward and settling their bills at the end of March (by which time the franc had cheapened considerably).

NEXT WEEK: The Mexican market.



UNIT TRUSTS

Advisers on where to go and who to go with

CLIVE WOLMAN follows up his articles with a look at funds investing overseas and those advising on them.

IF YOU want to invest in foreign stock markets, then life will be much simpler if you go through a managed fund such as a unit trust or investment trust.

Articles about unit trusts on these pages over the last two weeks have suggested that if you wish to invest in the UK stock market, you will probably make (or lose) as much money on average by yourself without using the professional investment managers of a unit trust.

Moreover, the administrative burden of investing in the market by yourself need not be great, particularly with the emergence of new financial instruments such as stock index futures.

But when it comes to investing overseas, the difficulties multiply if you go it alone. You have to find an honest broker to deal in the market for you, you have to arrange to transfer money abroad, to receive dividends, to pay withholding tax and claim double tax relief, often to grapple with a foreign language and so on.

Moreover, in contrast to the UK, you may reasonably expect to make more money by relying on the judgment of a professional investment manager than you would by making your own decisions—or by choosing shares at random.

In recent years most professional investment management houses in the U.S. have tended to outperform the broadly based stock market indices (though 1983, with the unfashionable "smokestack America" stocks recovering fast, turns out to have been a rather embarrassing year for many professionals).

When it comes to Japan, the world's second largest stock market, and to some of the smaller European markets such as Sweden, the performance figures suggest that the professional fund managers, at least the UK professionals, consistently do better than the average (as represented by the local stock market index).

But although investing through a unit trust will spare you many administrative headaches, you still face the difficulty of choosing the correct unit trust.

Over the last eight years, and more noticeably over the last three, several unit trust advisory and management services have sprung up. They aim to help investors choose between the 630 unit trusts on offer, including over 60 specialising in the U.S. market and a similar number in the Far East markets.

Some of these services are linked to unit trust management groups. One, run by Fidelity (tel: 01-283 9911) puts its clients' money entirely into its own unit trusts unless there is none suitable for a particular specialist area. For the client this has the disadvantage that his money and his risks are not spread between different management groups, although Fidelity's fund managers are permitted to adopt fairly individualistic styles.

At the other end of the spectrum, Touche Remnant's service (tel: 01-236 6181) allows clients to say that they do not wish any of their money to be invested in Touche Remnant unit trusts. And to date nearly all its clients have taken up that option.

The services run by Britannia and Abbey Invest entirely in their in-house unit-trusts, while those run by Aitken Hume, Henderson and Hill Samuel are permitted to invest only a specified proportion of money in their own funds.

There are also a variety of independent advisory services. Most charge an annual fee of between ½ and ¾ per cent of the value of the portfolio in addition to the money they make on commissions for dealing and switching between unit trusts.

Some of the independent advisers, such as Berry Asset Management (tel: 01-629 0400) founded by Jamie Berry, a former GT investment manager, offer more general investment advice and manage individual share portfolios. Most services offer advice on matters related to unit trust investment, such as tax.

But when it comes to choosing the correct unit trusts, most put greater emphasis on picking the right stock market than on picking the right management group. As Jamie Berry says: "Whether you're in Japan or the U.S. is more important than whether you're in Fidelity or GT."

He admits that, apart from avoiding some obviously poor management groups, it is often impossible to find good reasons for investing in one fund rather than another. "We look for low turnover in the portfolios and as much in-house research as possible. But a lot of it is seat-of-the-pants type of judgment."

The Hoare Govett Unit Trust Advisory Service (tel: 01-404 0344) is linked to the London stockbrokers which has several offices and researchers in cities around the world. Using this back-up, the advisers scrutinise the portfolios of individual unit trusts investing overseas to see whether the fund manager's outlook accords with their own.

Kean Seager, of Whitechurch Securities (tel: 01-977 5554), who was a former ICI pension fund manager, looks at the volatility of a unit trust portfolio and compares that with his outlook for the market in question. If he is very bullish, he will look for a more volatile and aggressive portfolio.

"There are in fact a few unit trust management groups whose names crop up regularly on the approved lists of these services. They are generally the medium-sized and up-and-coming groups such as GT, Henderson, Fidelity and Crescent.

One such group conspicuous by its absence is Framlington, which pays lower commissions to intermediaries than the rest. Jamie Berry admits this is a factor.

"With so little to choose between their funds and other good funds, their commissions make it difficult for us to support them," he says.

But the main, and most dubious, claim of the unit trust advisers is that they can make money for their clients by switching between different markets and sectors when they believe one is about to fall and the other rise.

Such switching generates commission income for the advisers—but the amount of switching between specialist funds remains much lower than in the U.S. Hoare Govett's service has recommended only one major switch in the last two years.

The Fidelity service can draw on a network of fund managers and research teams from all over the globe. It makes switching recommendations after its three monthly international summit meetings between its chief fund managers.

Hoare Govett and the services linked to other unit trust management groups also have some in-house research back-up on which to make their decisions.

But most of the independent services make their decisions after reading the inevitably superficial reports on different national economies supplied by the unit trust groups or occasionally stockbrokers. Whether this enables them to out-guess the international financiers who determine the flows of money around the globe and the relative prices of different world stock markets is not clear.

At the very least, none has produced sufficiently detailed performance statistics to show that they have the skill to beat consistently the rest of the world.

Portfolio 30

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Clive Wolman reviews the growing range of tax-exempt friendly societies

Ways into a Victorian tax shelter

FOR MANY years, friendly societies were dismissed by investors as quaint anachronisms, whose high administrative charges prevented them from offering attractive rates of return.

That was before the tax avoidance experts discovered that anachronistic institutions are often governed by anachronistic tax laws. And since the 1980 Finance Act doubled the maximum level of benefits a friendly society policy can offer, several entrepreneurial and marketing orientated institutions have moved in.

In contrast to their origins in the Victorian working class, today friendly societies are most advantageous as investment vehicles for higher-rate taxpayers, at least those who are willing to tie up a modest amount of money for 10 years.

As with conventional life assurance policies, premiums paid on life policies with friendly societies are augmented by a 17.6 per cent contribution from the Government. But whereas life assurance companies are obliged to pay corporation tax and capital gains tax on the returns from their investments, friendly societies pay no tax whatsoever.

And when you cash in your investment after 10 years, you take all your profits tax free.

In some cases, this has meant merely that the tax privileges of friendly societies, instead of being passed on to investors, have been eaten up in high management charges, partly a consequence of their dealing with many small sums. For example, the Moneywise Friendly Society based in Bournemouth uses up the entire first year's premium on its 10-year unit-linked life assurance policy in management charges and commissions.

Nevertheless, increasing competition has led to the launching of some attractive schemes in recent months. It is doubtful whether the Government will permit the indefinite survival of all the tax anomalies which are being exploited.

But any tax changes are unlikely to affect 10-year policies already taken out. So it is worthwhile going in while the going is good.

But there are several major restrictions:

● The maximum annual premium you can pay is about £226 before tax relief, as a result of a limitation on the maximum sum assurable at £2,000. But Saver's Assurance is able to accept slightly higher premiums.

● The premiums have to be paid over 10 years, and the amounts cannot be varied.

● If you surrender your policy before 10 years are up, you will receive only the return of your premiums with no interest and no inflation adjustment. Also, it is almost impossible to borrow directly or indirectly on the security of your policy.

● Most policies can be taken out only by a married person or a parent. But the Northern Rock Building Society has discovered a way round this restriction by linking up with the Odd Fellows Manchester Unity Life Insurance Collecting Society, a friendly society which was formed long before 1966 when the new restrictions took effect.

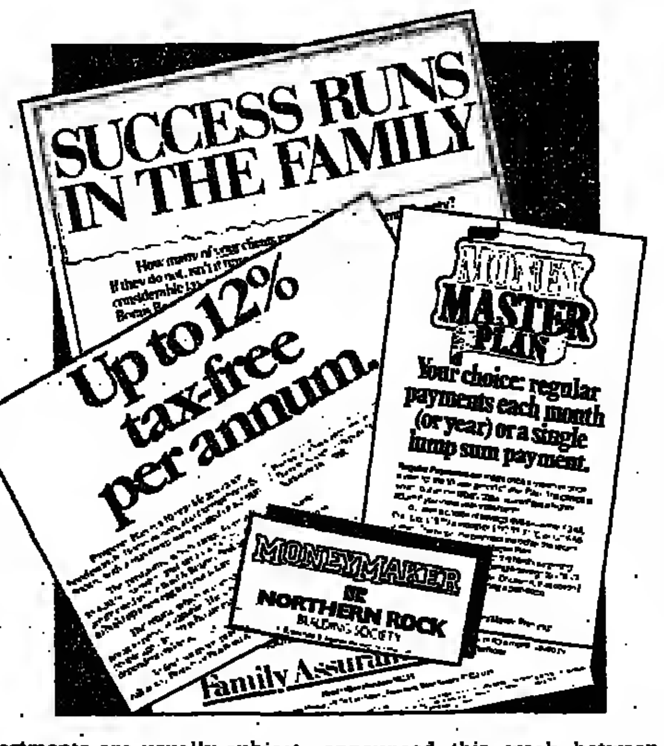
● At least half your money must be invested in what, again rather anachronistically, are considered to be low risk investments by the 1961 Trustees Act.

● There is a small danger that your friendly society could run into financial difficulties and become insolvent when you would not have the security of the Policyholder's Protection Act.

The Chief Registrar of Friendly Societies, however, watches his brood closely and, on the one occasion that a society has floundered (Drummond Assurance in 1978), it was taken over by another society and none of its policyholders lost out.

In spite of the limitations on investment media imposed by Parliament, the most serious drawbacks of most of the current plans are self-imposed.

The most tax-efficient approach for a moderately wealthy investor is to regard his friendly society investment as the lowest risk part of his portfolio. This is because the returns on lower risk investments, typically deposit accounts, are generally taxed as investment income. But the profits on more speculative



investments are usually subject instead to the more favourable capital gains tax.

But as a friendly society provides a complete tax shelter, it is more logical to use it to shelter highly taxed returns rather than returns which would not be subject to much tax anyway. Thus the link-up announced this week between Savers' Assurance and Aitken Hume's technology unit trusts, which offer low yields, will probably not fit well into a higher-rate taxpayer's portfolio.

Several friendly societies have linked up with a building society into which all their clients' money is placed. But the risklessness of a building society investment derives partly from the investor's ability to withdraw his money at any time.

Thus you are not obliged to stick with a building society if it fails to move up its interest rates in line with inflation, as occurred in 1974-75 and 1979-80.

But with a friendly society investment, you are effectively locked into your investment for 10 years. So that if inflation takes off again and building societies are again prevented by political pressures from raising their interest rates, your friendly society investment would suffer.

For this reason, those friendly society plans which are linked irrevocably to building society investment should not be viewed as riskless. These include the St Andrew's Friendly Society, linked with Woolwich Equitable, Homeowners linked with the Bradford and Bingley Building Society and others, and Manchester Life linked with Northern Rock.

The Fleet friendly society also offers plans linked to the Halifax and Anglia building societies but retains the right to switch its investments.

Another source of doubt about the link-up with building societies is that the promoters of these schemes often do not reveal what rate of interest is being paid by the building society. The MULICS-Northern Rock scheme is one example.

In most cases investors are being paid interest rates which, after making adjustments for the composite rate of tax on individual accounts, are closer to the relatively low building society ordinary share rates rather than the higher-interest two-year term shares.

There are several schemes, however, which invest in short-dated high coupon gilts. If interest rates and inflation move gradually upwards, investors will suffer small capital losses on their gilts but these should be more than offset by the higher yields they can obtain.

The Lancashire and Yorkshire Friendly Society, as well as having one plan linked with Gartmore's low-yielding unit trusts (mostly invested overseas), also has a "Capital Secure fund" which invests 100 per cent in gilts and other fixed interest stock.

It has achieved high returns over the last five years. But this is partly because it has a relatively risky portfolio, holding gilts whose redemption dates are five or more years away. Thus, as with the building society schemes the real returns to investors are vulnerable to an upsurge in inflation.

The Fleet friendly society, whose charges are the second lowest of any society (and the lowest for elderly investors), offers one plan which is 50 per cent invested in a high income unit trust, managed by Prolific.

But investing in any unit-linked plan, even in a high-yielding fund like this one, may lead to disappointment if the stock markets are in the doldrums when your 10 years are up.

A different type of scheme is offered by Savers' Assurance society, based in Oldham, Greater Manchester. It offers the only with-profits friendly society scheme, with a managed fund invested in a spread of shares, gilts, property and deposits. The with-profits structure allows the society to smooth out the fluctuations in returns from year-to-year thus reducing the risk to investors.

One minor disadvantage of a with-profits policy is that the society's charging structure is not transparent. Certainly, Savers' Assurance gives more generous commission to salesmen and brokers than the average. But most societies give high commissions in relation to the sums invested, usually £100 or more.

Friendly society	Telephone number	Investment media	Charges	Number of members
AA	Cardiff 35542	Managed fund including M & G unit trusts	Average	8,000
Family	Brighton 671111	Several funds covering gilts, equities and *building societies*	Average	100,000
Fleet	01-353 7520	Several funds covering unit trusts and building societies (see text)	Low	6,000
Homeowners	Harrogate 67355	Building societies	Low	100,000
Lancashire & Yorks.	Sheffield 750077	See text	Average	20,000
MULICS	061-832 9361	Building societies	Low/average	4,500
Moneywise	Bournemouth 292373	50 per cent in high income unit trust	High	2,000
Savers	061-678 9478	See text	Average	9,000
St. Andrew's	Bristol 279179	Building society	Low/average	2,000

Clampdown on tax avoiders

IF YOU think you've found yourself a way of saving tax, then think again.

Many off-the-peg tax avoidance plans sold through brokers may have to be withdrawn and re-vamped—and many books on saving tax re-written—as a result of a House of Lords judicial ruling on tax avoidance handed down on Thursday. The courts will now strike down any steps in a series of transactions inserted purely to avoid the payment of tax.

The schemes and devices which could now be attacked retrospectively by the taxman include:

● The variety of schemes to avoid capital transfer tax, and possibly even the widely marketed inheritance trusts, which require the making of interest-free loans, and discounted gift plans.

● Schemes to avoid the payment of stamp duty on the purchase of a house.

● Low-yield gilt unit trusts which strip their dividends to convert income into capital gains.

● Possibly even the use of a covenant to make payments to your impoverished student children, even though the Inland Revenue co-operates with this device by producing standard covenant forms.

● Bed-and-breakfasting, which involves the sale and re-purchase of shares over account periods to crystallise a capital gain and reduce a future CGT bill.

Over the next year or so, the courts may decide that the new doctrine does not apply to some of the more innocuous of these schemes. But it may be worth waiting to see what happens, before embarking on any new ones.

C.W.

Golden mile of the Costa del Sol

BY JUNE FIELD

THE OLD saying buy land they are not making it any more, does not really apply to the Costa del Sol; there is still plenty of it up in the hills, albeit not terrain for high density construction.

But the value of prime seafrontage with planning permission to build, goes up each year. As an example, some beach-side land on what is now known as the Golden Mile to the west of Marbella was bought in 1970 by a British developer at Pta 1,000 a sq metre.

Part of the land was sold on in 1974 at Pta 2,000 a sq metre: currently a sq metre could fetch any thing up to Pta 20,000.

The original developer was John D. Green, then one of the leading lights of the Hanson Trust, who bought a 17-acre site, on five acres of which he built and sold a villa complex, El Ancon, disposing of the remaining 12 acres.

Now John Green, 51, through his own company, City and St James's Investments, is developing El Ancon Sierra with equal success. Just above the original site, it is roughly between the King of Saudi Arabia's palace and the stables of his brother Prince Salaman, with splendid views to the sea over the Bjorn Burg tennis club.

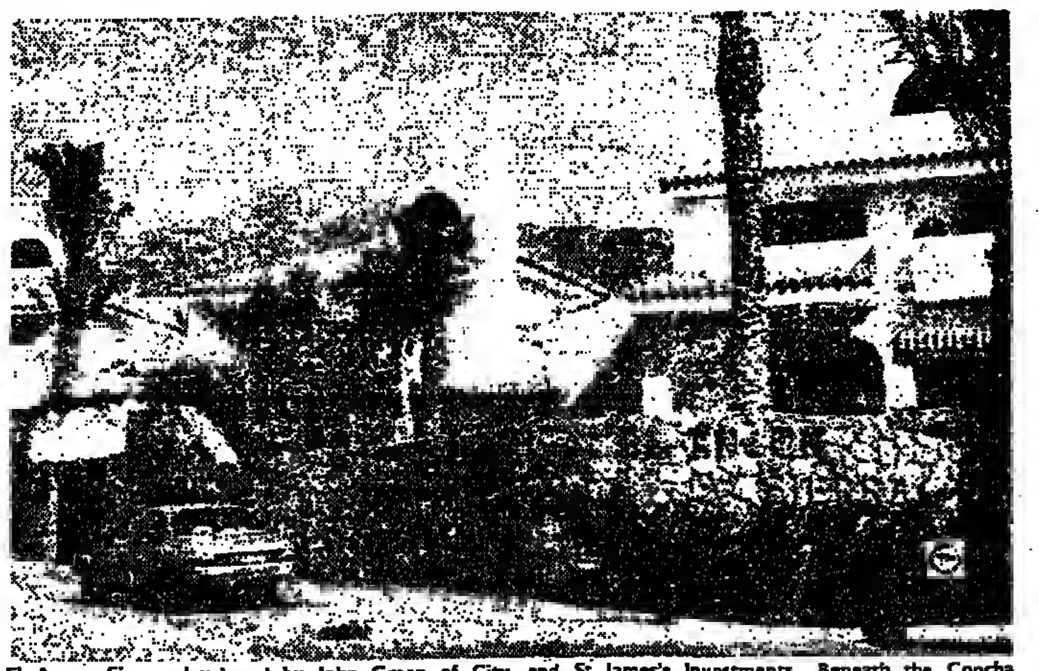
In London, City and St James's have an established reputation for distinguished up-market refurbishments — at Nell Gwynne House, Coleherne Court, houses in Chester and Cadogan Squares, and most recently, a luxury apartment in Hyde Park Gardens which was sold for about £950,000.

One does not use the descriptive phrases lightly. John Green is well known for his devotion to quality, and achieving a top price for it.

Much the same idea has been applied to the Spanish enterprise. Quality is uppermost in this already well-matured estate with its flower-filled walkways bounded by walls built from natural stone hewn from the nearby mountains.

The villas are air-conditioned, their solid doors are made, painted, delivered and fitted by a specialist firm from Madrid, windows are heavy-grade aluminium with tinted glass to reduce glare, and the floors marble. Even the hand-crafted cane-fronted cupboards are hardwood-lined, and the kitchen full of the latest appliances.

Only two of the first 18 villas built remain for sale. One is a two bathroom, two bedroom property at around £100,000 the other the showhouse with six bedrooms, five bathrooms



El Ancon Sierra, developed by John Green of City and St James's Investments. Beneath the Concha Mountain off the main coast road, terraced apartments are for sale from around £77,000 to £100,000. Brochure Bruce MacEacharn, Chestertons Overseas, 116 Kensington High Street, London, W.8. (01-937 7244)

and its own swimming pool, about £430,000 complete with all the striking furnishings selected by John's French wife Jacqui.

Thirty smart terrace apartments are coming on the market now to be ready in June. The two and three bedroom properties are selling from about £77,000 to £100,000.

They have deep, wide window boxes built around the edge of the balcony, which ensures privacy when you are sunbathing. Only the majestic Concha mountains can look down on you.

Sales so far have all been made by local estate agent Chris Clover, an American who runs Panorama in Marbella. Bruce MacEacharn, heading Chestertons Overseas, together with the firm's newly appointed manager David Vaughan, at 116, Kensington High Street, London, W8, are also prompting the project. Bank guarantees, if required, can be organised through Barclays.

It is an "all-nations" village —occupants include Britons, American, French, German, Dutch, Saudi Arabian, Syrian, and, of course, Spanish.

To cater for them, a selection of overseas newspapers will be in the clubhouse every day.

About 30 minutes drive away from El Ancon Sierra, I went to where Francisco "Paco" Parladé has a new venture behind San Pedro, La Heredia and costs are no problem for him: the Parladé has been carefully developing its vast forested estate El Madronal for some years now.

It is named for the strawberry trees that once grew in the pine-wooded foothills of the Ronda and 50 villas are tucked away on large plots, including one belonging to 1930s film star Madeleine Carroll. La Heredia is named for Paco's great-great-grandfather, Don Manuel Augustin Heredia, who started the first iron mine just east of Marbella.

Ex-Spanish cavalry officer Paco speaks perfect English—his wife Maria (nickname Mole), comes from the north of England, and he worked with London estate agents Knight Frank and Rutley for a short while.

The new project is a charming little group of houses centred around a small square, intended to appeal to those who want something different in a second home. When it is finished it will be hard to tell how old it is, and where possible authentic materials are being used.

The Spanish have a special way of saying something is authentic or genuine—for instance *café-café* means real coffee as opposed to instant. So Paco's pueblo is *pueblo pueblo*, because it has old doors of studded mahogany, with *rejas*, the wrought iron grilles for windows and balconies, sought out by Andalusian gypsies. And although the kitchens and bathrooms have all modern equipment, they are mostly clad with old tiles.

Maxwell Thomas of Marbella Properties (a subsidiary of Mistral International), at Blenheim House, Burnsall Street, London, SW3, is promoting the houses, which are selling at £36,500 for one bedroom, around £40,000 for two bedrooms.

● Sold—Sudbrook Cottage, Ham Common, the late Beverley Nichols' home. Gardeners, galore turned up to view. Eventually a dozen serious prospective buyers were invited to submit their best, once and for all offers by way of a sealed bid to the agents Knight Frank and Rutley.

"This was considered the most equitable method of dealing with the highly competitive situation," says Ray Taylor of KFR, who reports that a price well over £100,000 was achieved.

● Sold—the 17th century Plumpton Place Estate near Lewes, Sussex, to a couple from California who intend to spend time and money on the place to live in part of the year. Humberts with Leppard's sold Plumpton (of historic interest because of its Lutyens' associations), on behalf of Wimpole Street Investments. Pereds acted for the purchaser, and a price close to the original asking figure of £920,000 is said to have been made on this sale which has been quite a saga of negotiation.

CHESS

LEONARD BARDEN

THIRD WORLD nations have usurped the traditional role of Europe and the U.S. in staging some of the most prestigious and generously financed chess events of recent years.

The pattern was set by the Philippines, which hosted an international series followed by the Karpov-Korchnoi world title match; now the leading sponsor is Indonesia with its mammoth "First Lady Cup" under the patronage of Madame Suharto, wife of the President.

An elite field of 22 invited participants, and a prize fund of some £40,000 makes the First Lady Cup unparalleled since the great days of Monte Carlo and Ostend some 80 years ago. Top grandmasters came to Indonesia from all over Europe and the U.S., while a handful of local experts had their chance against the world's best. Play in the 1983 First Lady Cup was split between Djakarta, Jogjakarta and Bali with seven rounds at each venue.

Though Miles, Keene and Chandler all took part in the inaugural 1982 event, there was no British participation this time due to a clash of dates with the Acorn world series in London. Russians, Americans, and several super-GMs rated 2600 or higher, gave the tournament real significance for potential challengers to Karpov and Kasparov.

Jan Timman of Holland, once clearly the top man in Western Europe but lately out of form, proved a clear winner with 15½ out of 21, followed by Portisch 14, Yusupov 13½, Andersson, Ljubojevic and Seirawan 13, Romanishin 12½, Heolcy and Torre 11½; while the young West German Eric Lobron scored a notable brilliancy in this week's game.

The "Poisoned Pawn" variation of the Sicilian Defence, where White gambits his queen knight's pawn to the Black queen, has attracted a legion of GMs led by Fischer and Spassky most of whom have advocated either the white or black cause. But what really counts is familiarity with the analysis, and the best approach is probably ambidextrous: John Nunn has won with equal facility playing either colour.

White: E. Lobron
Black: K. Hulak
Sicilian Defence, Poisoned Pawn
(Indonesia 1983)

The opening moves were 1 P-K4, P-QB4; 2 N-KB3, P-Q3; 3 P-Q4, PxP; 4 NxP, N-KB3; 5 N-QB3, P-QR3; 6 B-KN5, P-K3; 7 P-B4, Q-N3; 8 Q-Q2, QxP; 9 R-QN1.

It is worth recalling Spassky v Fischer, 1972, the most celebrated of all Poisoned Pawns: 9 N-N3, Q-R6; 10 BxN, PxB; 11 B-K2, *P-KR4 (better N-B3)*; 12 O-O, N-B3; 13 K-R1, B-Q2; 14 N-Nt! Q-N5; 15 Q-K3! and Black's queen was quickly trapped. However, the consensus of opinion a decade later is that R-QN1 poses more problems.

9 ... Q-R6; 10 B-K2, N-B3; 11 NxN, PxN; 12 O-O, P-Q4?

A suspect decision, opening up the centre when development lags. After 12 ... Q-R4; 13 BxN, PxB Batsford Chess Openings assesses White a slight edge by 14 K-R1, B-K2; 15 P-B5, but Black might improve with 12 ... Q-B4 ch and B-K2.

13 K-R1, B-B4; 14 BxN, PxB; 15 PxP, P-B4.

This is Black's idea. The natural 15 ... BPxP; 16 P-B5! allows White a strong attack but now Black expects 16 PxBP, O-O when he is a pawn down but with a safe king.

16 B-R5! BPxP; 17 NxP!

Refuting the plan by an unusual double rook fork: if PxN; 18 QxP, R-R2; 19 Q-K5 ch.

17 ... R-R2; 18 R-N8, O-O; 19 R-N3, Q-R5; 20 N-B6 ch, K-N2; 21 Q-K1!!

Precise play drives home the attack... If KxN?; 22 Q-R4 ch, K-N2; 23 R-N3 ch, K-R1; 24 Q-B6 mate.

21 ... P-R3; 22 Q-R4, R-KR2; 23 R-Q1!

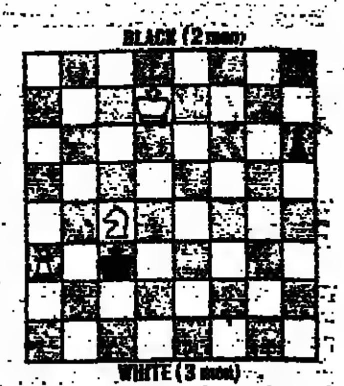
Now the threat is 24 R-N3 ch, K-B1; 25 R-Q8 ch, K-K2; 26 N-Q5 mate.

23 ... Q-R4; 24 R-N3 ch, K-B1; 25 N-R7 ch! K-K1; 26 Q-B6, Resigns.

A strong finish: if RxN; 27 R-N8 ch, B-B1; 28 R-Q8 ch, QxR; 29 RxB ch, KxR; 30 QxQ ch and 31 QxB wins.

POSITION No 502

BLACK (2 men)

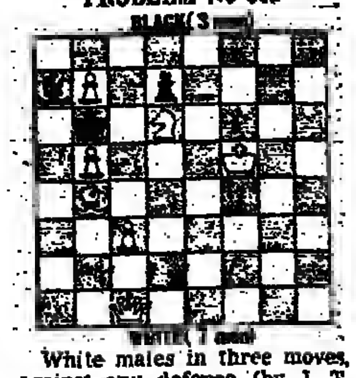


WHITE (3 men)

White to play: how can he win? The most interesting endgames are those where the outcome looks impossible. Here White, to win, needs to stop the fast running black pawn while saving his own pawn from the nearby Black king.

PROBLEM No 502

BLACK (3 men)



WHITE (7 men)

White mates in three moves, against any defence (by J. F. Breuer, Basler Zeitung 1979). Though Black's defensive resources are limited, this puzzle is a stiff test of the solver's skill with a queen-bishop-knight force.

Solutions Page 16

BRIDGE

E. P. C. COTTER

FAILURE to adhere to the principle of trump control may lead to disaster. Let us see what happened in this hand from rubber bridge:

	N	
	♠ K 4	
	♡ J 9 8 4	
	◇ 6 5 2	
	♣ A Q 10 2	
W		E
♠ 10 9 7		♠ J 8 6 5 3
♡ Q 6 5 3		♡ 7
◇ A K Q J 9		◇ 10 7 4
♣ 8		♣ 7 6 5 3
	S	
	♠ A Q 2	
	♡ A K 10 2	
	◇ 8 3	
	♣ K J 9 4	

South dealt with North-South vulnerable and opened the bidding with one heart, West overcalled with two diamonds, North raised to three hearts, and South bid the game in hearts.

West cashed Ace and King of diamonds, and followed with the Queen which was ruffed in hand. With solid side suits, the declarer decided to draw trumps without finesse, so he played Ace and King, but when the 4-1 division was revealed, he was in trouble. If he continued with his ten of trumps, West would win, force dummy's last trump with a diamond, and put declarer two down. To save one trick South played on clubs, allowing West to make both his trumps, and went one down.

Obedience to the principle of trump control would have saved the day. The contract is defeated not because West holds four trumps to the Queen, but because declarer allows West to take his trump Queen at a time when it can be damaging. It is all right to cash the heart Ace at trick four, but this card must be followed not by the King, but by the ten. This makes West take his Queen when he can make no damaging return. If he wins and leads another diamond, South ruffs with his King, and he can cross to dummy to pull West's teeth. If West refuses to take the ten, declarer follows with his King, and carries on with his black suit winners, leaving West to take his trump Queen when he wishes.

By retaining control with his King, South forces West to take his high trump when it has no lead value. Exchange South's King for West's Queen, and declarer still gets home by playing the Queen at trick four, and the ten at trick five.

For my next hand I am indebted to Golden Principles of Dummy Play by Flint and North, which I reviewed some four years ago:

	N	
	♠ J	
	♡ A 7 3	
	◇ K 7 5	
	♣ A K J 7 3 2	
W		E
♠ Q 9 7 4 2		♠ K 10 5 3
♡ J 10 4		♡ 6 2
◇ J 8 4 3		◇ A Q 9 6
♣ 9		♣ Q 8 6
	S	
	♠ A 8 6	
	♡ K Q 9 8 5	
	◇ 10 2	
	♣ 10 5 4	

North deals at game to East-West and bids one club, South replies with one heart, and North rebids three clubs. South raises to four clubs, and North's four hearts closes the auction.

West leads the spade four and dummy's Knave is covered by East's King. If South wins with his Ace, he can say goodbye to the contract. He can ruff one spade on the table, and draw trumps, but when East obtains the lead with the club Queen, he can get his partner in with a spade, and the diamond switch is lethal.

South should allow the spade King to hold. If East continues the suit, declarer ruffs in dummy, draws trumps, and runs the ten of clubs—the duck at trick one renders the defence powerless. In this hand we go beyond the elementary concept of trump control. The side suit Ace is withheld to permit a continuation of that suit to be ruffed in dummy, and at the same time it cuts the lines of communication between East and West. An expert declarer sees the danger of a diamond lead from West, and looks for some way of preventing West from obtaining the lead.

Residential Property

Have camel, will travel . . .

TRAVEL

LUCIA van der POST

IT WAS when we said goodbye to the soft comforts of civilisation and set off on foot through the bush and scrub of northern Kenya that I knew our African adventure had really begun. There had been many memorable moments along the way—the first glimpse from the plane of the open plains of Kenya, the first sighting of the great Rift Valley as we drove northwards from Nairobi, the fleeting views of Mount Kenya when it peeped out from its shroud of clouds—but there is nothing I know to compare with that feeling of heightened anticipation and apprehension as you leave the safety of the known world and set off to experience the unknown wilderness beyond.

We were a motley group on this, the first Wilderness Foundation trail in Kenya—two journalists, a young Oxford graduate who had caught the wilderness bug in its extreme form, the new director of the British Wilderness Foundation, a well-known Kenyan ornithologist and the young Kenyan who was to lead our trail, Simon Evans, and his crew.

We were to spend seven days and nights walking through some of the most lovely and unspoilt land in the world, with nothing but the earth, the bush and its natural inhabitants—and ourselves, the privileged voyeurs, on the whole magnificent scene. For that is the great glory of the foot safari—it enables you to wander through the natural world just as primitive man did, to see what remains of the world's wildlife living just as it always has, to spend nights rolled up in a sleeping-bag with nothing but the campfire between you and the great African darkness.

But if your notion of a Kenyan safari depends on going about in a well-sprung Land Rover, upon luxury tents, hot showers, haute cuisine and a regular supply of gin and tonics, then a foot safari is not for you.

You must go with an open mind, with patience and with hope. For in the well-known game reserves of Kenya, the animals are used to man and the noises he brings in his wake—there the sighting of big game can be almost guaranteed.

In the wild areas where we walked, through the thorn scrub, along the open plains, beside the beds of the Uaso Nyiro and Uaso Narok rivers, man is still the ancient enemy. There the animals are shy and frightened and if you are to see any you must learn to walk in silence, to keep in line behind the experienced trail leader, to keep every sense alert.

Then, if you are lucky, you will be rewarded with some of the great sights that Africa has to offer—a troop of elephants moving noiselessly through the bush, shepherding their young, a herd of buffalo stampeding through the dust as they catch your scent, a kudu bull outlined against the sky, a timid group of impala sheltering in the shade of a group of fever trees or a rare sighting of the Oryx or Grant's gazelle.

You must learn, too, to take pleasure in the smaller inhabitants of the bush—the oxpeckers that tell you that kudu or buffalo are nearby (for they feed on the ticks on their backs), the yellow-bellied barbel in the rivers, the Paradise fly-catchers flitting through the sky.

We were lucky because in our group there were two keen bird-watchers and from them I learned to recognise the great Martial Eagle, the Straw-tailed Wider, the Red-winged starlings and though I was but a beginner in this field the ornithologists noted some 100 different species.

As day followed day, a pattern began to emerge. We would be woken by the first rays of the sun, often helped by the soft chatter of the African camp-crew as they went about the business of preparing our breakfast and seeing to the camels (and I don't know how I've come this far without telling you about them).

The camels were an endearing, eccentric but vital accompaniment to all we did (it was they that alerted us to the fact that a hippo was about to stomp through our camp one night). Fifteen or so of Simon Evans camels (all bought on the Somali border and shepherded the 360 miles back home) were the beasts of burden—they carried our small necessities, our anoraks, our toiletries, our sleeping bags, as well as all the camp equipment, the food and stores, allowing us absolute freedom of movement, able to walk where we would and to

pitch camp as and when the fancy took us.

In addition three were designated as riding camels, complete with reins and saddles—these were to take care of anybody who flagged and wanted to ride.

Breakfast round the camp-fire was always a surprisingly filling affair. Sharon Wreford-Smith, a third generation Kenyan who was o/c the kitchen, would greet us all with steaming mugs of tea and then proceed to offer us paw-paw filled with passion fruit muesli or porridge and as much freshly-baked bread (cooked in tins in the embers of the fire) as we could manage. We learned to wash and clean our teeth in the river, keeping a weather eye out for the snapping jaws of a crocodile.

When the camp had been packed up, the camels loaded, Simon Evans—his rifle carefully checked and at the ready—would lead us through the bush. Another third generation Kenyan, for whom the sights and sound of the bush are as familiar as a No. 11 bus is to Londoners, he seemed reassuringly confident and at ease. As we tracked a herd of buffalo (whom many hunters fear even more than lion or elephant) or tried to get upwind of a troop of elephant, he, I felt sure, was the chap to keep close to.

When it came to tracking, however, his Samburu and Turkana trackers were in a class apart. From them we learned how to read the small signs that reveal where a group of impala may be resting, which way the herd of buffalo is moving, where a kudu bull might be hiding and how to start a fire with nothing more than two sticks.

Seven or eight miles a day we walked. Some of it was fast sometimes though we would stop just to watch the bird-life, admire the view or listen to the myriad sounds. By about midday we would have reached our next camp-site. There the camels and camp-crew would already be installed, campfires lit, the kettle on the boil and while we rested against the camel saddles in the shade, Sharon would supervise the business of lunch.

In the magic couple of hours before dark Simon would take us to look for game in the bush around the camp. Some of our best moments were then. We would climb to a high kopje for a spectacular view or would have to scramble back through the bush to make it home before dark.

As the night came down like a thick curtain, as the stars came out, we would gather round the camp-fire and listen to the wonderful sounds a night in the wild has to offer—the shriek of a bush buck, the snort of the hippo, the baying of a lone hyena.

We recalled Karen Blixen's words on the silence of the bush—"The civilised people have lost the aptitude of stillness, and must take lessons in silence from the wild before they are accepted by it."

These are the kind of experiences that it is still possible to have, but for how much longer nobody knows. Enos Mabuza, Chief Minister of the KaNgwane Government Service in South Africa, writing in a book called *Wilderness* published by the Findhorn Press, tells how Africa has changed from the continent of boundless bounty to "the continent of endangered wildlife species." In his part of Africa (but the same is true of Kenya) it is said "so abundant was wildlife in the nineteenth century that the hunter-explorer Cornwallis Harris was able to sit on the rail-board of his wagon, close his eyes and fire three times in random directions, hitting an animal each time."

The great national parks, The Kruger, The Gorongosa Serengeti "are but relics of the Africa that was." So go now while something of the glory remains.

● Useful information: The Wilderness Foundation, 34, The Beach, Walmer, Deal, Kent CT14 7HN is proposing to run seven camel safaris through the area I visited (The Laikipia trail) this year, the first setting out on July 1, the last on December 30. It will also be running ten "foot safaris" in the Maasai tribal area in Southern Kenya.

The Foundation has a useful set of leaflets on each trail, clearly setting out its duration, the stopping points on the way, as well as much useful information on what to bring with you.

The Laikipia Trail is £285, the Maasai Trail is £250, both exclusive of the flight.

The right arm of the law

LAST YEAR'S purge by the Department of Transport and the police against Vehicle Excise Duty evaders produced some encouraging results. According to figures given to the Commons last week, the number of prosecutions and the total revenue collected in fines, penalties and backduty (£14.6m) was 50 per cent higher than in 1982.

MOTORING

STUART MARSHALL

This can only be good news for the vast majority of motorists who pay their taxes and who would not dream of driving an uninsured car. The more effectively the law is enforced, the less the law-abiding majority have to subsidise the others.

According to the Department of Transport, a million reports are received each year of alleged evasion of Vehicle Excise Duty. Not all of them stand up; perhaps the vehicle reported has been licensed by the time the report is received.

The same vehicle may be reported by a number of people. Or the amount of duty outstanding may be too small to make the case worth pursuing.

But of the million cases, 882,000 were followed up last year compared with 583,000 in 1982. Mitigated penalties were paid by 95,000 car owners (87,000 in 1982) and 158,000 prosecutions were made (103,000). The £14.6m revenue compared with £9.4m the year before.

Having been critical of the police for an apparent over-concentration on speed trapping, let me be the first to offer my congratulations. The interests of justice are better served by nicking tax dodgers (who are often also insurance dodgers) than by running a lottery by radar and handing out speeding summonses on a random basis.

My references here to radar trapping at the end of last year produced an overwhelming response from readers but no official reaction from authority. A case of no-one being prepared to defend the indefensible? But one chief constable to whom a reader sent clippings wrote that he thought I had a good point.

I had asked: why the concentration on speeding when safety related offences like shooting red lights, ignoring halt signs and driving unlit or improperly lit seemed not to attract police attention? The chief constable pointed out that only 15 per cent of prosecutions in his area were for speeding. Therefore 85 per cent must be for the kind of offence that I (and FT readers) considered more important.

Fair enough. If the purge against licence dodgers is followed by a nationwide campaign against the careless, inconsiderate and aggressive offender, the roads really will become safer.

LIKE A fine wine, the Porsche 928 is beginning to develop bottle age. It's been around for six years now and I have just lived with one for a week for the fifth time since its launch. On each occasion, the 928 seems a little better than it did before.

It's not a beautiful car in the classic Porsche mould. Critics said in 1978 that it was more like an ultra-short wheelbase limousine than a proper sports car. At a fraction over 6 feet it is two inches wider than an XJ-S, only two inches narrower than a Rolls-Royce Silver Spirit. In the West End, one is conscious of its girth and restricted visibility over the long, drooping bonnet.

But Porsches, though easy and effortless to drive in traffic, feel confined in city centres. They come alive when you head up the motorway—or better still, the autobahn—and you see how near-perfection has been honed still sharper.

The 1984 model 928 series 2 has ABS (anti lock) brakes as standard equipment. The 4.7 litre light alloy V8 uses the latest Bosch LH Jetronic fuel injection system with economy cut off. Porsche say it does 158 mph instead of the 1983 model's 155 mph and goes from 0-62 mph in 6.2 instead of 6.6 seconds. I believe them.

But I'm more impressed by the new four-speed automatic transmission (much nicer than a five-speed manual box, in my opinion) and the 12 per cent reduction in fuel consumption achieved by the LH Jetronic.

Driven reasonably, the 928S series 2 gives 23 mpg on a journey, starts instantly hot or cold, purrs through town like a well-fed tabby, snarls up to unmentionable speeds like a hungry tiger. It would be ludicrous to drive it aggressively; it has enough performance at toe-tip to demolish any opposition without exerting itself.

It is infinitely biddable, with the engine at one end of the car, the transmission at the rear to provide balanced handling and enormous grip. The Pirelli P7s thump only modestly on rough roads, respond instantly to the subtly power-assisted steering. The brakes need firm pressure on the pedal but speed simply melts away on wet roads or dry.

The driving position is ideal—there is more headroom now for tall people like me—the seat is electrically adjustable and everywhere you look you see meticulous attention to detail.

The instrument lighting casts a shadowless glow over the entire panel; a little rubber flap stops petrol from dribbling down its haunches at filling stations; the screen-washer nozzles are electrically heated so they won't freeze up.

The rear seats are no more than an annexe to the shallow luggage compartment and it was almost a relief to find that raindrops fall on the seat edges when the doors are opened after it has been raining.

Enthusiasts who think the only proper Porsches have air-cooled boxermotors at the back won't agree with me but I rate the 928S one of the best cars in the world. More than that, it's the best Porsche of all for business drivers. The only thing that stands between me and a 928S series 2 is £30,679. I wonder if Ernie is listening at Premium Bonds HQ?

Scornful bard

BY ROBIN LANE FOX

A. E. Housman: A Critical Biography
by Norman Page. Macmillan. £17.50. 236 pages

"The severity of Housman's presentation." wrote Enoch Powell, who heard it, "was the aeverity not of passionlessness, but of supreme passion, passion for true poetry and passion for truthfulness."

A. E. Housman devoted much of his life to emcnding words in the tcxts of difficult Latin poets. The task required a mastery of Latin and a faith that the words had been miscopied by earlier scribes. The work, on the face of it, was unimaginahly arid and Housman's *greatest* endeavours went to a Latin poet who is intolerahly ohscure end unreadable. Housman broght this art to life, not only for those who could compete at it and enjoy the satisfactions of a great intellectual crossword puzzle. His Cambridge lectures were packed.

The study of classicel literature in Cambridge still prides itself on bis arcane, textual legacy. Housman's attacks on earlier scholars end contemporaries are among the finest vituperationa in English prose. He approacbed each minute point with the range and fervour of a great scbolar end speeker who could de matters of great moment to an apparently minor problem.

Many people detested him: Norman Page quotes another listener wbo rebelled against this steely aulhority:

> Immacnlate in his starched linen and icy in his impassive aloofness as the Pole Star. *His* faith that *all* human knowledge was precious, whether or not it served the slightest human use, revolted me then, as it revolts me still.

As an intellectual study, Housman's interest goes far beyond improvements io the text of Manilius. At Trinity College, Cambridge, be once lived with 11 holders of the OM. He is part of the mythology of all examinees. A brilliant classical linguist, he failed to get a degree et Oxford wbose pbilosophy and classicel history, Greats, were too much for him. A modest career as a minor Civil Servant was accompanied by papers of greet brillance on small points of Latin syntax and the misreadings in Latin manuscripts. Without any previous academic job, he was made Professor at University College, London, and then Professor at Camhridge.

This career is not, however, a rebuke to Oxford. Housman's mastery of Latin snd gift for textual studies were oever in question. Others have had them since, and others have made as much, perheps more, merk on the text of Juvenal, the one

A. E. Housman: severe presenter

thoroughly readable poet whom Housman considered. Unlike Housman, they bave not worn auch provocative blinkers. Norman Page does his best with the most tasteless of Housman's bons mots. During the First War, in 1915, be could write with glee: "Hitherto I have always refused to go to the Riviera, hut now is my chance, when the worst classes who infest it are away." Reflecting on the Great War later, he wrote thet "it cannot have made mucb change in the opinions of any man of imagination."

These remarks are symptomatic. Housman suffered from the vice of contempt. He steted that he would not bother himself with a curious emendation of a text if it was suggested by an unknown contemporary, but thet he would weigb it very cerefully and respectfully if proposed by ooe of the great scholars of the past. That attitude revolts me. So does his blindness to historical change, fortified by a "classicist's" long view, the restriction of bis mind to matters of next to no moment and his gift for turning a good sentence on great, human matters whlcb he did not understand.

Yet his story, of course, is more than that. Enoch Powell was rigbt. Housman the scholar was also Housman the poet. The sad, short poems of *The Shropshire Lad* were best sellers in his lifetime and as Page reminds us, they enjoyed a revealing, second life in the early enthusiasm of 1914-15. Melencholy, yet romantic, they were written *during* tbe Boer Wer and caught a popular mood in the later war which so brutally refuted them. They owe very llttle to Shropshire, which Housman seldom visited. To outsiders, he has become a "local poet," a grotesque misreading. Housman's wonderful poems owe much to bis love and knowledge of Greek, the subject whicb his textual work avoided. To ma, they are in no sense "minor."

The split talent of the meticulous scholar and the romantic poet, is fascinating. In lesser forms, we all come across lt; and as a short, manageable study, Norman Page's book is compelling. He tends to count oplnions and agree with the majority, while Housman would have mangled his style. He would also bave relished thc book's unlucky appearance, so soon after the longer and less sober study by R. P. Graves. Mr Graves penetrated the ice of Cambridge's Polar Star. He publisbed Housman's notes on a holiday in France in which masculine figures like sailor, boxer or Negro were noted in French with a number from one to ten beside each day in a fortnight.

We know about Housman's early idol, Moses Jeckson; we suspected Andrea, the Venetian gondolier. This note enlerges Housman's pessions beyond good food, trevel and scholarship. Mr Page disagrees. Housman's holidays, he states, were spent "pottering around smsll cathedral towns where this variety of pleasure must heve heen hard, if not impossible, to come by." I wish we bed Housman's retort to such naivety.

Red Ivy

BY HAROLD BEELEY

The Exile: A Life of Ivy Litvinov
by John Carswell. Faber aod Feber. £10.95, 216 pages

Deported from France in 1908, Maxim Litvlnov arrived in London bearing a letter of introduction from Maxim Gorky to the librarlan of tbe London Library. He was found employment in e publishing house, made friends in Jewish circles and there met Ivy Low, graoddaughter of an immlgrant from Austria and niece of Sir Sidney Low. Tbey became lovers in the first year of the war and married in 1916. Maxim was already identified as a Leninist, but the Bolsbevik revolution was nearly two years away and Ivy rould not have foreseen the life to which she was committing herself. She was not and never became interesled in politics. There was certalnly no trace of her adopted country's pollitcs in her musings on Count Grandl during the 1931 disarmameot conference in Geneva:

> "His face ls fascinating . . . I quite feast on hls face. He does not drlnk et all, whicb I find disquieting. I wonder much about him."

Her husbend had by this time succeeded Chicherin as Commissar for Foreign Affairs, an office be was to hold until the approach of the Non-Aggression-Pact with Germany in 1939 necessitated his removal. Molotov, who followed him, sought his views on the senior staff of the Mioistry and promptly dismissed thoae he commended. In Stalin's Russia a change of Minister wes a more sinister event than it oormally is. Litvinov was stripped of his membership of the Central Committee and kept under surveillance; he made plans to shoot himself rsther than be arrested in the night.

Her position as the Foreign Minister's wife bad played a minor part in Ivy's life. She met Stalin only once, and then with little consequence because be mistook her for the wife of the Finnisb Ambassador. Apart from their two children, her constant interests were books and men—the latter difficult to setisfy in Moscow and consequently the more urgent when she was able to escape. From Berlin in 1929 she wrote:

> "I slecp with anyone who wants me to. Fall violently in love for a night and take up with another next day . . . Oh the eyes of the men in Berlin streets — hungry, aearching, like lost children."

The Soviet delegation in Geneva, with whom sbe was left while Maxim returned briefly to Moscow, must hsve been a less promising field; nevertheless it was of them that she wrote: "Of course there ia no such thing as 22 uninteresting men."

But her abiding passion was literature. "She read and wrote as some people eat and drink." She had published two novels before her marriage, and in 1930 a detective story about Moscow. In later life she was to write short stories, mainly for the New Yorker, and to struggle vainly with fragments of an autobiography she could never complete. In Moscow she taught Basic English to classes of young men from the Foreign Ministry, and at a time when her relations with Maxim were under strain she seems to have spent three years at Sverdlovsk in the Urals, teaching English in a teacher training college.

The crisis of 1939 reunited her with Maxim, and when Hitler's attack on Russia restored him to favour she accompanied him to his Embassy in Washington, where she passed two of her happiest years. It was effectively the end of his career. He continued to play a minor role in Moscow, and surprised Western correspondents by the freedom with which he expressed his disillusionment. When be died in 1951 his last words were "Englishwoman, go home." She did, 20 years later.

Mr Carswell knew Ivy, his mother was one of her closest friends, and he has been able to read the voluminous papers she left to her daughter. He has made admirable use of this opportunity to add an unusual minor portrait to the gallery of *Soviet-British relationships*. He concludes sadly that "she was dealt a high card in life, but it was in the wrong suit."

Alexander Fleming: research that became famous

Drug discoverer

BY GEORGE MALCOLM THOMSON

Alexander Fleming: The Man and the Myth
by Gwyn Macfarlane. Chatto and Windus, £12.50. 304 pages

A good biography—and this life of Sir Alexander Fleming is a good one, highly professional, the work of a medical expert who can write—is like a good salad. All the better for a drop or two of vinegar in the dressing. It is not that Gwyn Macfarlane is consciously *unfair* to Fleming; on the contrary, be leans over backwards to hold the scale even.

Only here and there, does he betray e touch of caution, a suspicion thet Fleming has been given more than his proper share of the credit for penicillin. Macfarlane has written a biography of Howard Florey; It is sub-titled "The Making of a Great Scientist." His biography of Fleming is called "The Man and the Myth." A slight difference.

One thing is not in doubt: Fleming did "discover" penicillin in 1929. There is no myth about thet. He invented the name. He suggested that it would be an important germ-killer. If he left it to others, Florey, Chain end a team at Oxford, the task of making it a practical therapeutic agent, capable of cheap production and use on a large scale, the reason seems to be, Macfarlane thinks, that Fleming found that it was slow-working and unstable. Fleming was a bacteriologist; it was not enough. Chain was a bio-chemist, Florey a pathologist and, which was highly important, a great organiser.

The team that in 1939, were gathered in Oxford, had representatives of different types of research. Leadership was supplled by Florey, enthusiasm and faith were furnisbed by Chain.

Naturally, Fleming got to hear of the hope that was dawning at Oxford. He paid a visit: "I've come to see what you've been doing with my old penicillin." It was thought to be a somewhat proprietorial remark but, as Macfarlane points out, it was quite natural in the circumstances. Penicillin *was* Fleming's. But, sad to say, scientists are human end sensitive; when they are in the throes of a great research, they are abnormally sensitive; jealous even.

Between the Dunn School, Oxford, and St Mary's Hospital, London, there were the makings of a classical scientific feud. Even so, all might have gone *well* had it *not* been for the world surge of publicity about the new "wonder drug." This was launched by Sir Almroth Wright and Lord Moran, both anxious that St Mary's Hospital should get due credit. Moran, Churchill's doctor, Beaverbrook's friend, had powerful guns and knew how to use them.

Naturally the propaganda centred on Fleming who wrote to Florey two letters of disavowal but was swept away by the tide. He did not feel that be had really earned the Nobel Prize, but he was honest and human enough to admit that be enjoyed the adulation even if it was not all deserved.

In the end justice was done. Fleming, Florey and Chain shared the Nobel Prize. Florey got a life peerage and the O.M. But he and his team felt bitter that so much of the early glory had gone to Fleming. There are traces of this feeling in Macfarlane's biography. After all, be is an emeritus professor of Pathology of Oxford.

What would have happened had Fleming been e publicity-grabber, a showman, not to say a charlatan? Instead, he was a modest, unpretentious man who loved to escape from the limelight to a game of snooker in the Chelsea Arts Club.

The truth seems to be that after the original discovery, the development of penicillio wes no longer a job for an individual; it needed a team, which was something Fleming had neither the ability nor the authority to organise. Florey had both. In much the same way the Whittle engine — the jet — passed beyond the capacity of its pioneer, Sir Frank Whittle. Another thing: Fleming was in London; bombs were falling; he was bombed out twice.

It is likely thet Fleming had not a personality, a presence, that was calculated to impress others. His manner was casual; when be addressed gatherings of scientists he failed to carry conviction; it almost seemed that he had failed to convince himself. Macfarlane makes much of the fact that on 11 occasions the Royal Society rejected him for membership. But may this not simply be another way of saying that Fleming did not belong to the scientific establishment? And he did not. He wes, and remained, a loner.

He trusted in intuition — in luck — rather than in method. A frivolous view? Perbaps. But did not Napoleon ask about a general: "Is he lucky?" To complete the picture of a rather odd personality. When Fleming was asked by an American wby he had not patented his discovery (which, in fact, he could not have done) he replied: "It never occurred to me."

In this engrossing book, which treads the narrow path between the popular and the medical, Professor Macfarlane lists the bonours conferred on Fleming. One bonour be does not mention which is known to bave pleased Fleming greetly. When be stepped into a lift in a Toronto botel, the lift-girl said: "Are you Sir Alexander Fleming? . . . "Then may I say bow grateful I am to you." "Why?" "Because you cured my fiancé's clap."

'Kick'

BY RACHEL BILLINGTON

Kathleen Kennedy
by Lynoe McTaggart. Weidenfeld and Nicolson, £10.95. 248 pages.

Kathleen Kennedy (commonly known as "Kick") was the fourth of the nine Kennedy children, after Joe Jr, Jack and Rosemary. Sbe was brougbt up a atrict Catholic in Boston. At the age of 18 effectively the eldest daughter since Rosemary was brain damaged, she accompanied her father to London wbere be was a most unlikely (and soon unpopular) ambassador.

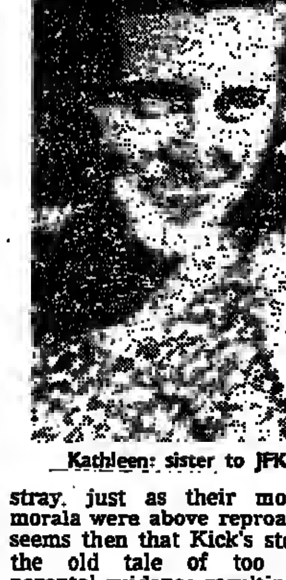
Nevertheless Kick became the toast of London high society, and, in the course of the war, married, against ber parents' wisbes, Billy Hartington, heir to the Duke of Devonshire.

A few months later Lord Hartington was killed. Not long before that Jo Jr ber beloved elder brother had also died. Kick returned to America but soon was back in England, this time in love with the atill married Peter Fitzwilliam, the beir to an earldom. In Mey, 1948 their private plane which tbey had taken to the South of France crasbed and they were both killed.

Lynne McTaggart is an "award-winning investigative journalist." She explains that when en editor noticed thet "the life and death of Kathleen Kennedy was a good story" sbe was "the lucky writer asked to dig up that story." We sbould not therefore expect a biography but a piece of journalism between hard covers. At this level sbe bas done a good job. Tbe reconstruction of her beroine's short life has obviously been researched througb interviews with those who knew her—though not directly with the family. Her protagonists (mostly now dead) are painted in vivid colours which makes thc book bighly readable. On the other hand the background to "the story," particularly in war-time England is blurred to the point of unreality. This is perhaps just as well since the author's use of detail tends to inaccuracy. Russia was not England's "ally" before the war; Hurricane aeroplanes were fighters not "smell bombers." Nor bas she mastered the intricacies of English titles—not all titled ladies are Earls daughters. Also she is distinctly shaky on Irish history.

Probehly the erea where she has probed deepest, and indeed the most interesting, is the Kennedy family's attitude to religion. Rose Kennedy is depicted as the black villain wbo ruined her daughter's life by trying to force her to follow the church's ruling. Ms McTaggart aeems to believe that Kick had no conscience except thet provided by ber mother. Certainly it seems strange that hoth the British aristocrats wbo Kick fell for were not just from Protestant families but from traditionally anti-Catholic ones. Indeed, she seems never to have loved anyone of wbom ber parents ware likely to approve.

This rebellious attitude was unusual among the Kennedy clan who were expected to report all their worldly experiences to their father and all their spiritual to their mother. Mr Kennedy even had them watched if be auspected they were out of line. For the boys, sex was left out of the reckoning, possibly because Joe Sr was in no position to cast the smallest stone. But the girls wbo had an all Catholic education while the hoys went to Harvard, were not allowed to stray, just as their mother's morala were above reproach. It seems then that Kick's story is the old tale of too much parental guidance resulting in a youthful and, in thia case, tragic dash for freedom. It is ironic thet the opportunity arose out of ber father's hard-bought efforts to aggrandise himself, and his family, by becoming American ambassador to London.



Kathleen: sister to JFK

Italian crime

Death in the Springtime by Magdalen Nabb. Collins £6.75. 165 pages

Mrs Nabb's appealing Marshall Gnarnaccia of the Carabinieri station in Piazza Pitti figures less prominently in this new book than in the two that preceded it. In fact, this story is as much concerned with plot as with character, and a great deal of the action takes place not in Florence but in the hills just south of the city. Tbe author bas put together a convincing crime and resolution, and ber knowledge and understanding of Italian life are everywhere evident. Without showing off, she quietly conveys the real feeling of her places and the situation of the people that live in them. Kidnapping is sadly in the news thesc deys in Italy. Mrs Nabb's novel offers valuable insigbts into the crimes. She has happily freed her prose of the Italianisms that, on previous occasions, aometimes jammed its otherwise smooth flow.

WILLIAM WEAVER

Fiction

Spanish passion

BY MARTIN SEYMOUR-SMITH

La Regenta
by Leopoldo Alas. Translated from the Spanish by John Rutherford. Allen Lane, £14.95. Penguin Classics, £5.95. 734 pages.

Speranza
by Sven Delblanc. Translated from the Swedish by Paul Britten Austin. Secker and Warburg. £7.95. 153 pages.

Nation of Fools
by Baltraj Khanna. Michael Joseph, £8.95. 252 pages.

The Stain
by Rikki Ducornet. Chatto and Windus. £7.95 (£3.95 paperback). 191 pages.

Lack of an English translation of Leopoldo Alas' novel *La Regenta* (i.e. *The Regentess*) was for a long time the major scandal of European letters. Now this has been rectified; moreover, the translator, the excellent John Rutherford, of The Queen's College, Oxford, has dona his job magnificently: his many notes are both essential and impeccable, and his introduction a model of what an introduction ought to be.

Leopoldo Alas, who lived from 1852 until 1901, was born in Zamora. He spent most of his life as a professor of law at the University of Oviedo (the Vetusta of *La Regenta*). As a teacher he was conscientious. As a critic, writing under the name of Clarín, he was the scourge of every dilettante and scribbler in Spain: bold as brass, he was hated by almost everybody in what passed for the literary world. As a fiction writer he was cautious and even (initially) lacking in self-confidence; he stood little chance of having anything fairly received in any case, since be had made an enemy of all but a very few discriminating writers who agreed with his sweeping and authoritative views.

So *La Regenta* was called a plagiarism of *Madame Bovary*, filthy, impious and outspoken. This great novel—probably very great is the right term—which appeared 1884-5, was therefore not often seen as such until round about 1960.

Great novels need less said about them than good ones. Suffice it to announce that there has not been as important a literary event in Great Britain as this translation for very many years. *La Regenta* is the story of a stuffy and hypocritical provincial town, and of the protagonist Ana Ozores, a beautiful, bored and sensitive woman who is trapped in the *dilemma of which adultery* to choose: with a Don Juan type, or with a priest? It is also a gallery of superbly observed characters.

Like his countryman, Pérez Galdós, Alas was a pioneer of abnormal psychology and an anticipator of Freud. He was not as fluent or as versatile—but perhaps Pérez Galdós never wrote a novel better than *La Regenta*. This is by no means like *Madame Bovary*; but in its own way it is as important. There is no hard reading awaiting the lover of literature here: just a superb rendering of a masterpiece.

Sven Delblanc, who was born in 1931, is a typical Swedish writer of his generation: he is a despairing humanist and castigator of a society he finds corrupt and commercialised almost beyond acceptability. His novel *Gunnar Emmanuel* (1976), which has not yet been translated, portrayed a man taking Delblanc's own course (he teaches creative Swedish at Uppsala University); and finding it well nigh impossible to achieve anything creatively in contemporary society.

Speranza (1980) is not as readable as earlier novels of Delblanc that have been translated (for example, *Homunculus*, an ironic tour de force about an individual who succeeds in creating a little man; this creature becomes a "secret weapon" to be struggled for by the supreme powers). *Speranza* is a somewhat laboured allegory, excellent in its intentions, and admirable in everything save its capacity to hold the reader's interest. The time is the spring of 1794: a young Count is about to embark on a voyage to the New World aboard the *Speranza*. The ship carries both his tutor (a German) and a cargo of slaves.

The young man thinks be is enlightened, and is shocked at the nature of this "hope." But when his Negro lackey starts a mutiny he soon discovers what side he is really on.

Almost all the book consists of Count Moritz von Putbus' diary. The moral is that it is disastrous to go against liberal principles; and one cannot complain that the book is badly done. But the style is surprisingly vapid for all that the psychological observations are usually acute. This is a disappointment from a novelist who has written better, sharper books.

Nation of Fools is set in post-partition Punjab. The author, who was born in 1940, has shown many of his paintings, which are said to resemble those of Paul Klee. This is his first novel.

Baltraj Khanne has written an ironic novel in a familiar tradition. Omi, the son of an ambitious sweet-vendor, is expected to rise in life through conventional means: the passing of exams and a good marriage. But he is a rascal who early finds himself the proprietor of a plush restaurant. *Nation of Fools*, writen in a picaresque manner, is authentic and amusing; but its point of view seems to be a Western one. So we learn little about Punjabis in the 1950s. Nonetheless, this is a promising and readable first novel.

The Stain is wretched stuff. The author has illustrated books by Robert Coover and Borges; sbe has published stories and poetry bnt this is her first novel. It is set in France in the 1880s. A child, Charlotte, is born with the sign of Satan—a dancing hare. Angela Carter has praised it, characterising it as "part cesspit part paradise." As a study in fashionable "magick," and as an anatomy of the wickedness of the rural French, it fails: the writing is never more than competent, and the basic conception is puerile: like that from which pulp horror fiction arises. It seems disgusting to dwell upon the disgusting for its own sake—and I am afraid that this, althougb suitably dressed up in literary clothes, is what this book essentially does.

Split mind

BY DAVID LENNON

Begin, a biography
by Eric Silver. Weidenfeld & Nicolson £12.50. 278 pages

Mr Manahem Begin stood out among tbe colourless leaders in the West and the East in recent years because he governed as a man driven more by hia convictions than by commonly accepted standards of diplomacy.

He aroused strong pasaions at home and abroad, attracting both fierce loyalty and deep loathing. There was little middle ground for, love him or hate him, few peopla could remain indifferent to the Israeli Premier, who resigned last year after six turbulent years in office.

In the pages of world history, Menahem Begin will go down as one of the minor characters, but his impact on tbe modern Jewish state cannot be ignored. He sheped his times as surely as did his old adversary, Israel'a first premier, David Ben-Gurion, who once condemned Begin as being "incapable of distinguishing between truth end imagination."

Although he dominated world headlines in recent years, it could also be fairly said that Begin was more a small-town politician than a great statesman. He had sufficient vision to grasp the opportunity for peace with Egypt which was offered by President Anwar Sedat, hut was too small-minded to understand that, for this to flower into a broader peace for Israel, he must display generosity of spirit.

It was this same narrow, paranoid view of the world that led him into the war in Lebanon whose failures finally broke his spirit and caused him to resign, confessing to his cabinet, "I cannot go on."

Despite a deep interest in history, Mr Begin all too often acted in his government's or country's short term interests, without displaying any ability to appreciate the consequences of his actions. And despite, or perhaps because of, his constant exposure to the media while serving as premier, Mr Begin always remained something of an enigma.

In his new biography Eric Silver characterises the Begin enigma thus:

> An unrepentant terrorist who won tha Nobel Peace Prize, then launcbed another war. A democrat and an autocrat. A courtly rabble-rouser, Polish gentleman and Levantine cult-hero. A man of honour with whom it was wise to read the small print. A conspirator who found it hard to keep a secret.

It is disappointing not to find bere some psychological insight to explain—the many schizophrenic aspects of the man's character; while the author refers on more than onc occasion to his subject as being a manic depressive, he never takes it any further than that.

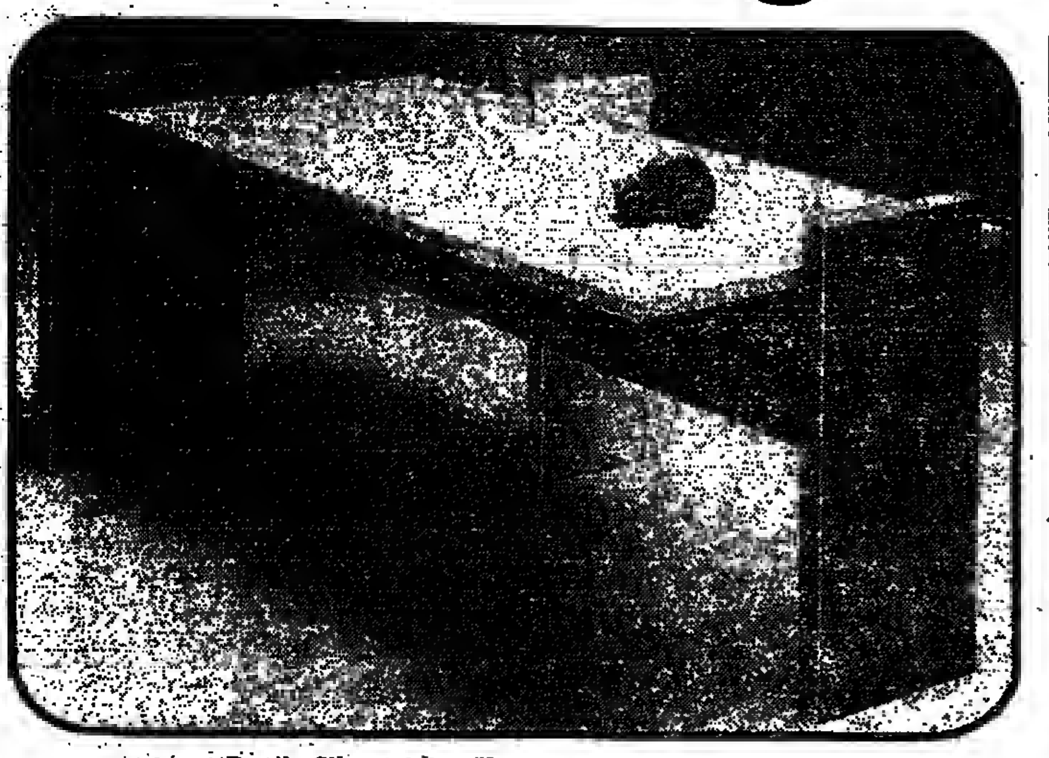
Mr Silver, a former Guardian Corespondent in Israel, has diligently culled public sources to produce a detailed and thorough account of the known facts about Mr Begin, which coincide to a large extent with the history of modern Israel.

Though clearly not a critic of Zionism, the author pulls few punches in recounting some of Begin's more astonishing deeds, but it is somewhat hard to agree with his conclusion that Begin has left a legacy worth cherishing.

If Israel still remains a democracy where the rule of law prevails, as the author notes, it is not thanks to the former premier who did more than any previous leader to undermine this desirable condition.

By Lucia van der Post

Going to work in the home office



Danilo Silvestrin's "Homage to Mondrian" desk

ALL OF US need some kind of working space at home. Whether we just have to cope with answering letters and our household bills or whether we need space to help run a small business, it all needs very careful planning.

Jose Manser, a freelance design journalist who works from home, has learned the hard way that making the working area as attractive as possible is very important. "I have a very functional office which works very well but I often think I'd get much more pleasure from sitting here day after day if it was prettier. My desk is a huge long table so that I can leave the separate projects I'm working on in separate piles. I got a handyman to make a long flat surface which has bull-nosed edging all round and is covered in matt laminate. It rests on four trestles and a filing cabinet. My typewriter rests on the L-shaped surface, shelves behind me hold the filing system so I just have to turn round to reach them.

"Seating is also very important. I sit on a perfectly functional old standard Ryman's typing chair but what I would really like is a Hille Supporto chair—it is absolutely beautiful, comes in lovely colours (you can have sand-coloured upholstery and a white frame or bright green upholstery and a pale green frame) and is extremely comfortable."

Certainly it can never have been easier to buy accessories that not only do the job but also look pretty while they're at it. Everything from the pin, the paper clip and the tin-tack to the filing cabinet has been recoloured and re-styled—this year I see Ryman's famous filing cabinets are sporting sugar-pink and sky-blue coats.

All this colour around the place not only helps to jolly up the look of filing systems and the desk-top but it actually is useful if it's used in a properly co-ordinated coded way.

If you're looking for a very inexpensive storage system CubeStore (the company which does the trestle legs referred to in the section on desks) also does a very versatile and inexpensive storage system—it is what it sounds like, a series of cubes based on the 16-in module with different internal fitments which can be built up and added onto as your storage needs grow. A simple open cube with no internal fitments is £13.95, while one with three S drawers is £22.15. Write to 58 Pembroke Road, London W8 for the Cube-Box leaflets.

Illustrated on the rest of the page are some of the brightest and best new ideas around at the moment.

The Hollywood light

The Desk

FOR ANYBODY who does any kind of work at home, the first essential is a desk. This doesn't mean, however, that you have to go out and look only at furniture bearing the label "desk." One of the simplest, most practical and inexpensive ways of making a flat surface is to buy a pair of trestle legs and a piece of chipboard or Formica (or even glass) to lay on top.

CubeStore of 58 Pembroke Road, London W8 (tel. 01-994 6016 for leaflets) about whom I've written before, still makes and sells its splendidly sturdy trestle legs but whereas it just used to do them in white (£25), chrome (£30) and aluminium (£24) it now offers them in yellow, green and red as well (all at £25). With a pair of these trestles you can either buy the white melamine top that CubeStore offers (18 mm thick, 54 in by 30 in for £12.50) or you can buy a panel door, solid timber or a piece of glass cut to size.

If you don't like the idea of trestles you can balance the working surface on filing cabinets or on those marvellous six-drawer plan chests that can still be found in secondhand furniture shops.

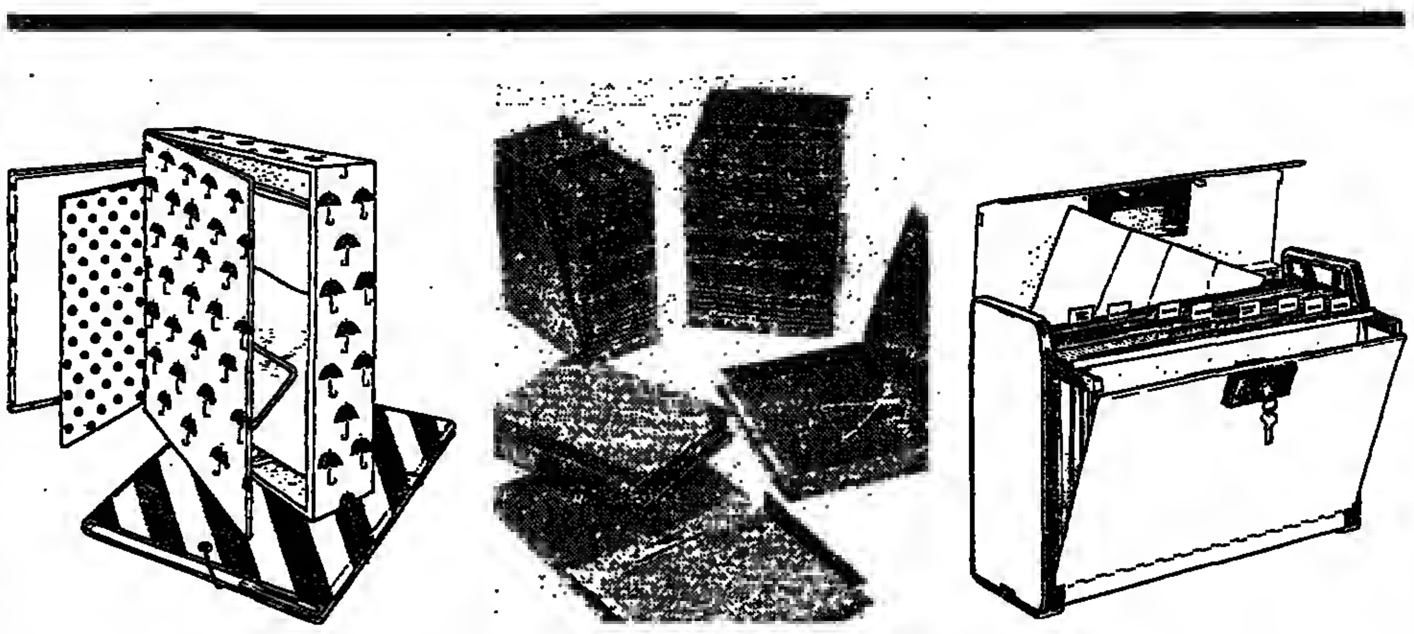
Cheaper still are the red or blue metal trestles that Habitat sells at £19.95 the pair—to go with them there are melamine tops (2 cms by 138 cms by 67 cms) edged in matching red or blue for just £9.95. If you can afford a bit more the Habitat dining table, the Quarto, has clean, elegant lines, gives a good working area and is available in either plain oak or oak stained black with steel cylindrical legs. At £195 they're a good buy—they also make an elegant dining table.

Johnny Grey, whose Home Office Collection I have written about before, is worth another mention for two reasons. Firstly, I think that the furniture he has produced really does achieve his aim of looking at ease in a domestic setting and yet at the same time offers the possibilities of efficient organisation of working material.

Secondly, and perhaps more importantly, his prices have been reduced by 40 per cent since I last wrote about the collection. This doesn't mean they are now cheap—the wood is mainly solid ash, the knobs and handles are all hand-turned, the attention to detail is evident when you see it in close-up. The ash trestle table (because the top is reversible just this part is ash veneered) is £375, the adjustable shelving unit is £725, the small pedestal filing cabinet with the vase on it is £509 while the black spun metal and red steel lamp is £182. All inquiries to Johnny Grey Design, Hampshire Farm, South Harting, Petersfield, Hants.

If your mood is modern, then one of the most desirable desks I have come upon recently is the one shown above with the rather pompous name of "Homage to Mondrian." Designed by Danilo Silvestrin, it is its proportions and colouring which make it so desirable—the top is in pale grey, the "modesty panel" in black while the three uprights are in red, blue and yellow. It measures 190 cms by 113 cms by 83 cms and costs £629 (exclusive of VAT) from Aram Designs, 3 Kean Street, Covent Garden, London, WC2.

Johnny Grey's Home Office collection



Files to suit your mood—smart, traditional or sturdy

The Filing System

FILES are yet another area that has beeo transformed by the clever designer's hand. They, too, are now so invitingly coloured, patterned and presented that choosing them is as much a pleasure as accessorising an outfit. Apart from the fact that they are so much prettier or smarter to look at nowadays, anybody who has a great deal of serious filing to do on many subjects can pick and choose a colour-coded system to make it easier to find what is wanted when it is wanted.

Above left is a simple ring binder file in a smart white with black spots design. It measures 10 in by 12½ in, costs £3.45 and is just one of the many designs in this particular style—it happens to co-ordinate beautifully with the equally smart black and white diagonally striped document wallet with elasticated corners that sells for £2.99. Both come from a large selection at Scribbler, 170 Kings Road, London SW3; 29 James Street, London WC2; and 27 Kings Road, London SW3.

The box file with pale pink or blue umbrellas all over it, is £3.99 from W. H. Smith.

For those who prefer a more classical answer to the same problem Bookbox, above centre, is probably the answer. From Unirose (the company that delivers a single rose, a bottle of champagne or endless other goodies to any address you choose), it is designed to make the staid old filing system look like an elegant old library.

It is unblushingly frank about its aims. "Bookbox," says the press release, "is in the classical style of a handsome "library edition" combining all the advantages of an efficient, neat and tidy filing system with the elegance of an antique volume." So it does—until you look closely, but never mind, there will be many for whom this will be the perfect solution to a recurring problem.

Each box may be personalised with your own name in special gold-foil lettering. The Bookbox file measures 12½ ins by 10 ins by 1½ ins. It holds standard A4 size letters and documents and there is a choice of spring clip or ring binder. Sets of three, five, 10 or 20 come with a special slipcase. There are gold-blocked self-adhesive titles to be stuck on the spine with such eminently practical headings as "Bank" "Insurance" "Household Bills." A set of three bookboxes is £27.95, five are £44.50, 10 are £82.50.

More details and order forms are available from Bookbox, Spreyton, Crediton, Devon (Tel. Whiddon Down 5261.

Right, one of the sturdiest small personal filing systems I've seen. Not a thing of elegance but immensely practical. The file has a fold-down front which makes it much easier to rummage among the folders, there are 10 suspension files with ready-made indexes. It would make a splendid starting system for a young person embarking on life alone for the first-time (we've given one each to our undergraduate children and it seems to have brought some order into their lives). In red, blue or grey, it is £18.95 from most W. H. Smith branches.

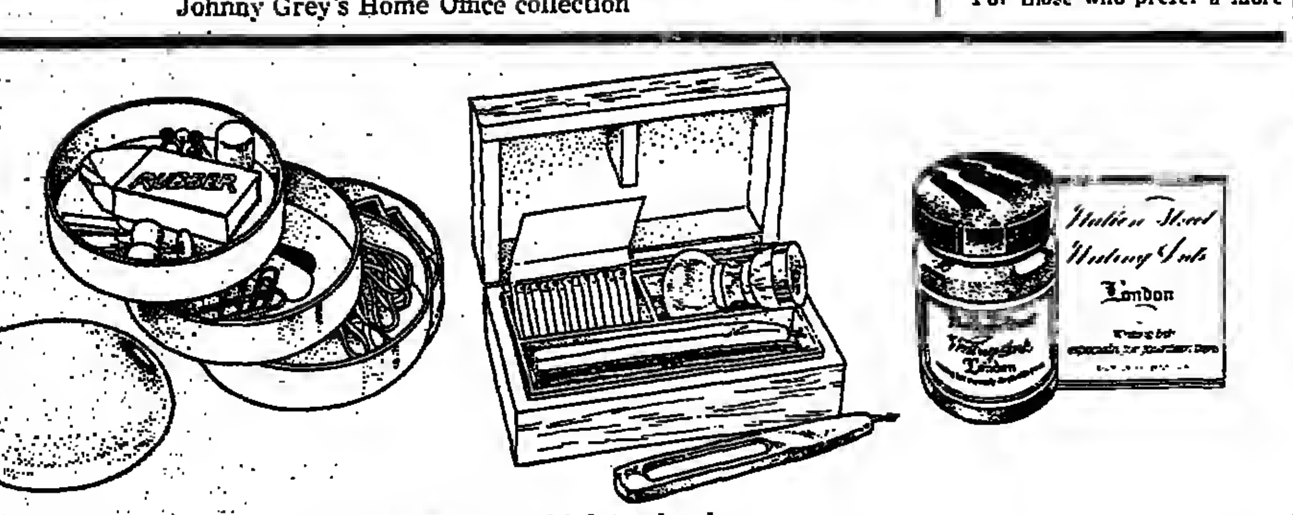
The Light

ONCE upon a time the lighting scene in your average shop was a depressing sight. Today the choice is large. You can go into Woolworth, British Home Stores, the Habitat chain and be sure to find something well-made and well thought-out at a very reasonable price.

A good light source is obviously vital to the home office and a track system is one good solution. (Jose Manser, a freelance design journalist, has a long L-shaped desk with storage behind and she uses a track with three spots—one is trained upon the L of her desk on to the typewriter, one upon the desk itself and one upon the files.)

I am a great supporter of the classic Anglepoise which can still be bought at about £15.95 in larger Woolworth stores. Less classic but a lot of fun is the Hollywood light (so-called for obvious reasons)—in red or black it takes only a 40 watt bulb so it shouldn't be your only light source (somebody I know has two, one at either end of his desk and says it works a treat). About 1 ft high, it is £29.95 (bulb is £1.50 extra, plus 85p) from The Last Detail, 341, Kings Road, London, SW3 (p+p £1.50).

Drawings: Frank Wheeler



Small accessories with lots of style

Self-contained

BELOW

EXPENSIVE, BUT it looks it. A portable mini-desk, below left, for the writing of letters, for £38. The box itself comes only in black but inside the various containers are 100 sheets of A4 paper and 100 DL envelopes in white, grey, pale or dark blue and cream. The middle drawer comes empty for storing—pen, paper clips, stamps or whatever you will. From the Walton Street Stationery Company, it can be posted for £2.50 extra.

Even those with the most efficient home offices sometimes have to go a-visiting. Carry your papers in this elegant see-through briefcase. A splendidly useful size, 17 ins long, 13½ ins deep, it comes in see-through acrylic—blue, red, clear, smoke. £14.95 from The Walton Street Stationery Company £2.50 p+p.

Desk Details

ABOVE

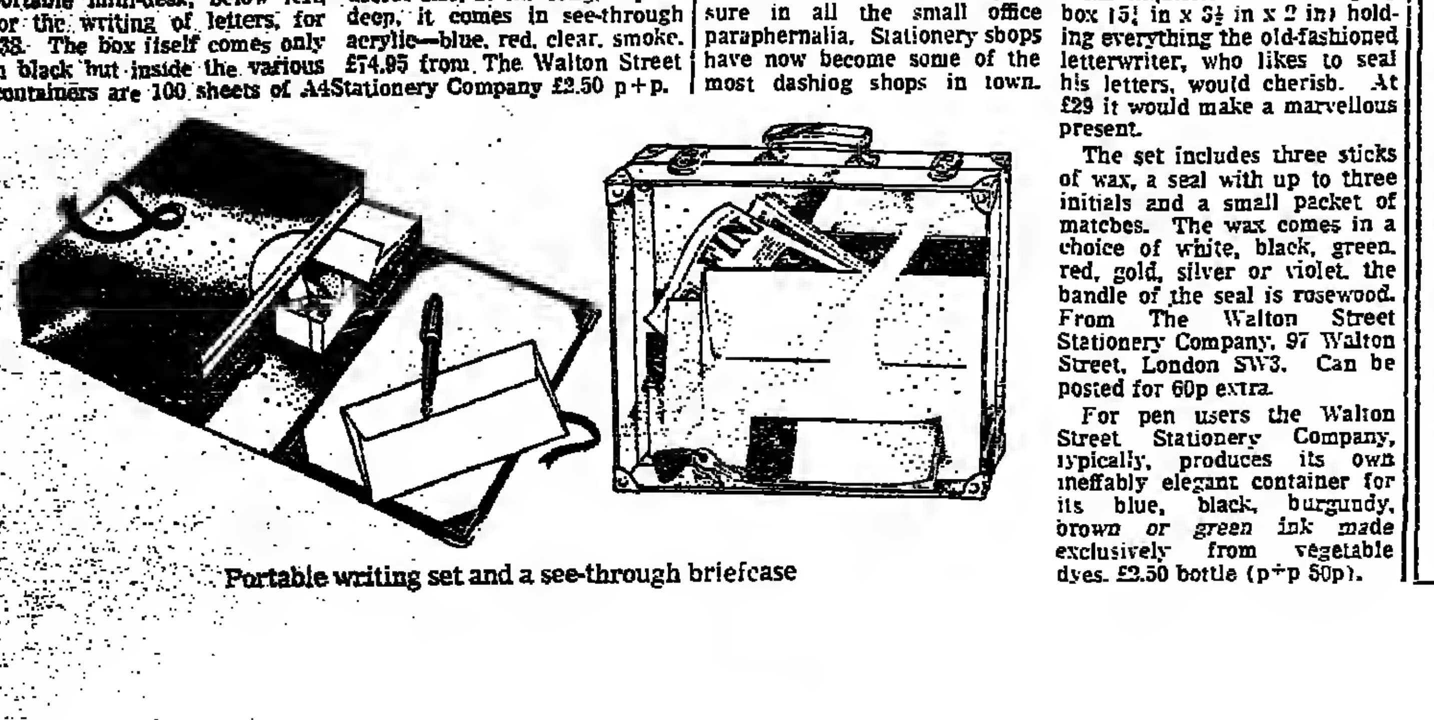
I DON'T KNOW about you but I take an almost childish pleasure in all the small office paraphernalia. Stationery shops have now become some of the most dashing shops in town.

For those who like all those small details to be just right it has never been easier to find the very thing. Sketched here from left to right is a charming little stacking container, four round trays to hold your rubbers, paper clips, drawing pins et al. In bright moulded ABS plastic you can choose from yellow, red, blue, white, green or black. £3.95 from most Ryman stores.

An exquisite small mahogany box (5¼ in x 3½ in x 2 in) holding everything the old-fashioned letterwriter, who likes to seal his letters, would cherish. At £29 it would make a marvellous present.

The set includes three sticks of wax, a seal with up to three initials and a small packet of matches. The wax comes in a choice of white, black, green, red, gold, silver or violet, the handle of the seal is rosewood. From The Walton Street Stationery Company, 97 Walton Street, London SW3. Can be posted for 60p extra.

For pen users the Walton Street Stationery Company, typically, produces its own ineffably elegant container for its blue, black, burgundy, brown or green ink made exclusively from vegetable dyes. £2.50 bottle (p+p 50p).



Portable writing set and a see-through briefcase

Dynamic duos

The new lot of *Barnes's People* began on Wednesday on Radio 3. These are to be duologues, and the opener, observing the former tradition of star casting as well as star writing, had Joan Plowright and Paul Scofield. Miss Plowright was confessing her sins to Mr Scofield, and mentioned that her unbelieving son said the world was made of mouldy cheese. Mr Scofield, until then quiet and formal, was suddenly enthusiastic. Mouldy cheese! why, this was a classical heresy, the obscure heresy of menachionism. And the angels were worms that bred in the cheese. Mr Scofield so loved his heresy that he seemed to embrace it himself — a trial for Miss Plowright's faith.

Peter Barnes writes so well, with such a blend of humour and inventive conviction, that in 20 minutes he fills his canvas with the most wonderful grotesques. The playing on Wednesday was all you'd expect from those two players. Ian Cotterell was the director. Next week: Mary Ellis and Ian McKellen in a Russian prison-cell.

More ordinary eccentrics come in *Legal, Decent, Honest and Truthful*, six programmes written by Guy Jenkin and Jon Canter. These are advertising people, the only creative writers who have to fool themselves before they can fool others. *Persuade* others. I mean, though in this programme Ken and Sandy devote such work as they do to persuading the public that their copy is legal, decent, etc.

RADIO

B. A. YOUNG

even when they know it isn't. And Mr Canter is an advertising man himself.

There's a sit-com basis of no special charm or originality, full of stereotypes; but now and then we hear commercial voice-overs commenting on what's going on, and some of these are not only funny but make a practical criticism of today's advertising standards. Hats off to producer Pete Atkin, by the way, for doing without a studio audience.

On Sunday as I waited for Part 2 of *The Fountain Overflows* on Radio 4, I caught the first of six readings from *The Hidden Years*, a novel by Neil Boyd about the private life of Jesus before he became a public character. I know of several apocryphal gospels, and there are collections of folk-lore like Romulus Linney's *Jesus Tales*. These tend to tell legends like the young Jesus sliding down sunbeams; but Neil Boyd isn't like that a bit. His Jesus is a tough young working man ("tall" and "handsome," naturally). When he has to keep a swarm of locusts off the crops, he does it with a flail, not a miracle, and indeed is overcome with exhaustion afterwards. Simon Cadell read the story well, but it might as well have been about anyone else for all the light it throws on Jesus.

Rebecca West's tale still made me think of Mrs Nesbit; but so much happens to her family that the novel should surely have been done in six rather than three parts. Some new eccentricities have arrived—Patricia Routledge as Aunt Lily, whose sister may or may not have killed her husband, Patricia Quinn as Miss Beevor, with a passion for Cordelia, the daughter who plays the violin so badly and so determinedly. Richard Quin has learned to speak. Rose has learned to read thoughts. What was the Mayor's secret talk with Mama about? We shall know all next week. Forster said that when reading a novel we should say "Yes, and then?" I say it like anything about *The Fountain Overflows*.

On the other hand, the Saturday Night Theatre performance of A. E. W. Mason's *The House of the Arrow* was a disaster. Goodness, what a silly story! And the dialogue! I loved it when someone was cutting the heroine from out of a sack and said "Be patient, Miss Upcott."

Late-night listeners who turn to the World Service rather than Radio 2 will find a series in progress called *Woman of the World*—not, says the BBC, "feminist polemic." The first programme, *Who is a Woman?* sounded a bit like feminist polemic all the same. With respect, I found this one gave me little to think about "the realities of being female"; but there are nine programmes altogether, compiled by Natalie Wheen and Jenyth Worsley and directed by Anne Theroux. Look for them at 00.30 on Tuesdays.

And how, you will ask, is the radio treating the winter Olympics at Sarajevo? Well, mainly it is leaving them to television. Perhaps the competitors move too fast for running commentary, even sprinting commentary. Still, we get the results.

Ashley Ashwood

Abolition of the GLC could mean the end of sponsored events like this, by the ENO at Ford's, Dagenham

Local funding—in search of a lifeline

It is often said that there are no votes in the arts. This is regrettably true. But, to balance this, the minority that believes in the arts is very noisy indeed and well placed to put its views directly to ministers and, indeed to the Prime Minister. The Heath government got into a dreadful mess when it attempted to raise £1 million in revenue by introducing admission charges for museums and art galleries, and retreated ingloriously.

It is to be hoped that the current government is wiser. The abolition of the GLC, and the six other metropolitan councils, creates the biggest financial crisis the arts have faced in the UK, not one of those meaningless exaggerated scares so loved by arts companies that feel hard done by, but a real crisis. For the seven councils are contributing almost £30 million to the arts this year, a seemingly irreplacable sum.

The Government has agreed to step in and provide cash for the most important arts groups that derive sizeable subsidy from the axed councils. The National Theatre, the English National Opera, London Festival Ballet, the London Orchestral Concerts Board (the four big London orchestras), the Royal Exchange, Manchester, Opera North and the three leading regional orchestras, the Halle, the Royal Liverpool Philharmonic and the City of Birmingham are the nine organisations to be given a lifeline. Presumably the Arts Council will be used to channel the extra money to support them—it will need around £12m a year.

In addition five museums, Kenwood, Horniman and Geffrye in London, Walker in Liverpool and Laing in Newcastle, have been tied to national museums (with no great enthusiasm on either side). All told the Government has committed itself in this way to finding around half the £30 million. Its original hope was that the local authorities would make good the gap, a very pious hope given rate capping and the general squeeze on local government funding.

Now it is accepted that the local councils will be unable to do it all, or even very much, particularly in London where the GLC gives almost £20m to the arts. The Minister for the Arts Lord Gowrie, helped perhaps by the fact that he is also a Treasury Minister, is confident that the Government will be able to find more money. But obviously there are problems in timing. Local authorities must not feel that they are being let off the hook. No doubt a series of deals will be attempted whereby Newcastle, for example, might be persuaded to help the small arts groups in its authority, formerly assisted by Tyne and Wear metropolitan council, if the Government adds the Northern Sinfonia to its list of the "big nine."

The councils with which the Government has good relations, such as Birmingham, can be expected to do their best. With others like Liverpool, in the hands of an extreme left-wing administration, a war of attrition is likely which could be very damaging to the Liverpool Playhouse and the Everyman, formerly aided by doomed Merseyside.

The Arts Council this week suggested "jointly constituted local authority boards, or committees with a power to precept on constituent authorities" as its alternative means of funding. It is an unlikely solution, perhaps reflecting the Council's worries that it might be chosen by the Government to look after all arts funding. It would mean a much larger budget but the Council is in favour of a variety of paymasters: a sudden increase in its powers would bring an increase in its problems. It might, however, be used as a channel, passing on money to the regional arts associations which have improved their efficiency in recent years.

But although extra money has been promised there are many immediate problems, especially in London. The original idea that the South Bank concert halls can be made commercially viable is a nonsense, given that they currently need a subsidy of almost £4m a year.

There is no way in which Hammersmith, for example, is going to meet the losses of Riverside Studios, or Islington of Sadlers Wells. It might not matter if many of the favoured hobby horses of Mr Livingstone's London, such as the See Red Womens Workshop (given over £36,000 this year) or Docklands Community Poster Project (funded with £45,000) lose out, but there are dozens of worthwhile artistic ventures that face a financial challenge that will be too much for them. Assurances on finance, on the method of its administration and on the scope of the rescue need to be announced as soon as possible.

ANTONY THORNCROFT

A vocal Treasury

The HMV Treasury series, the only one by a major record label to attempt a regular reissue of great performers and performances past, remains one of the reliable bright lights on the otherwise dully cautious contemporary record scene. Its latest release is full of delights which may come upon the non-specialist as revelations; the revival of "old voices" is a business much fogged with misconception, snobbery, and prejudice, which records of this kind must help to dissipate.

For those who may never have heard a note of Conchita Supervia's, as well as for those admirers who may need to amplify their collection of her recordings, a two-record album, *The Art of Conchita Supervia* (RLS 1436143), comes as a gorgeous storehouse of her art. It is intelligently compiled. Rossini claims the first record (a whole side devoted to the celebrated *Italiana in Algeri* excerpts, half each of its reverse to Rosina and Cenerentola), and a miscellany of Mozart, Gounod, Berlioz, Thomas, Saint-Saëns, and Puccini the second: particularly welcome here are the 1928 duets (in Italian, with Ines Maria Ferraris) from *Hansel and Gretel* and *Der Rosenkavalier*, which have previously proved difficult to obtain on LP transfer. Carmen is missing, and so too are all the songs, English, Italian, and above all Spanish, on which perhaps the most loveably delicate and personal Supervia inflexions were lavished. Material for future additions to the Treasury?

The point is, of course, arguable, the taste, as in all such things, personal; but I wonder whether there has existed another artist of the gramophone era with the power to compel such intense delight, such adoration, such love, from records alone? People who heard Supervia in the theatre or concert hall tell us that in one crucial respect the gramophone betrayed her: the fast vibrato, quintessentially Iberian, which can so unnerve the innocent Anglo-Saxon ear on first encounter, was emphasised, and exaggerated, in recorded reproduction.

But this proves, surely, a small hurdle to overcome; for, as Desmond Shawe-Taylor put it (in one of the most vivid and eloquent appreciations of a singer ever published, in the January 1960 *Opera*), "even in the most trivial song there will come a phrase so personal and so completely genuine that the listener feels something akin to personal contact. In whatever language she sang . . . she filled each word with meaning, and lent the utmost grace and point to the turn of every musical phrase. Her moods and the colour of her tone would change with lightning rapidity; and her sense of rhythm often gave a fascinating outline and precision to passages which seem quite ordinary in the score. Above all, she always conveys to the listener an extraordinary sense of joy in the sheer act of singing."

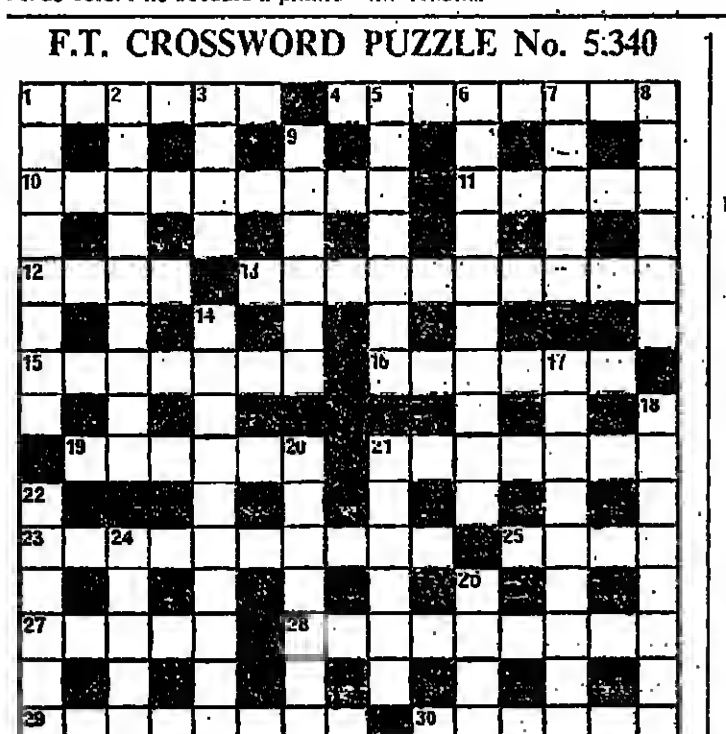
RECORDS

MAX LOPPERT

With Supervia's Cherubino, irresistible in each pouting, pleading phrase, that "something akin to personal contact" happens more quickly than with any other recorded Cherubino. Delilah (heard in "Printemps qui commence") is perhaps even too endearing; the formidable, hieratic side of the pagan priestess is here impossible to conjure up. When turned to pathos, as in Mignon's air or Charlotte's admission of tears, her immediacy acquires not the least hint of sentimentality—Supervia was, for all her directness and freedom of characterisation, the most imaginatively subtle of interpreters. No mezzo ever turned Rossini's florid writing to more continuously expressive end; listeners who usually flinch at the prospect of streams of rapid Rossinian roulade, runs, and arpeggios, have a treat in store. As has everyone else.

A little late for Elena Gerhardt's centenary—she was born in 1883—comes a noble collection of the earliest Gerhardt *Lieder* recordings, taken between 1907 and 1911, all with Nikisch as pianist (HLM 1436031). The great German mistress of *Lied* of the century's first few decades takes, perhaps, a little more adjustment on the part of the modern listener: the grand seriousness of attitude and massive breadth of phrase, the willingness to slow the main tempo in order to dwell on particular moods or points, may seem to transform the features of a song like Schumann's "Ich grolle nicht." Perseverance is rewarded, not just because Gerhardt's artistic aims were always of the highest, but because in these early samples the singing was often of a freshness and radiance lost in later years.

F.T. CROSSWORD PUZZLE No. 5,340



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

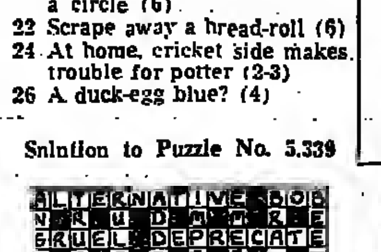
ACROSS

1 English corporal eg joins sappers — but not for the first time? (6)
4 Blunt criticism of good all-rounder having to get runs (8)
10 Strange Welsh rite formerly (9)
11 Labiate that could be semi-methylated (5)
12 Convertible bonnet? (4)
13 Lab-test for Dracula? (5, 5)
15 The most stingy are in comfortable residence (7)
16 Intended to be in cafe by appointment (6)
19 Operating space-bar, etc (6)
21 Leap joyfully and, in part, bring a lump here (7)
23 Man of the match? (10)
25 Everybody to ring the sultanate (4)
27 Concerning a boxing-match . . . (5)
28 . . . Anne Bronte's alternative instruction to boxer (5, 4)
29 Shots in which England's openers failed badly (8)
30 Only a moderate horse, but could show power in future (6)

DOWN

1 Jumbo plane, the design . . . (8)
2 . . . that cannot fly, making civil aviation leaders s-so cautious (9)
3 Ranks swore endlessly when beating a retreat (4)
5 Evil creature of German folklore — flowery variety (3-4)
6 Handy game for kids—"New Orleans?" (4-6)
7 Biscay, perhaps, where in France there is a marsh (5)
8 Score left in City's second half (6)
9 Ticket in quarters (6)
14 What sort of discipline could be altering me? (10)
17 A parliamentary representative caught outside in Normandy (9)
18 Thriller-writer and dealer in light goods (8)
20 Poetry collection for Judy? (7)
21 This artist got it right with a circle (6)
22 Scrape away a bread-roll (6)
24 At home, cricket side makes trouble for potter (2-3)
26 A duck-egg blue? (4)

Solution to Puzzle No. 5,339



† Indicates programme in black and white

BBC 1

8.35 am Godzilla. 9.00 Saturday Superstore.

12.25 pm Grandstand: including The XIV Winter Olympic Games (12.30, 4.15). Football Focus (1.00). Racing from Newbury (1.25, 1.55, 2.35, 3.05). Cricket: Third Test (1.40). World Bowls (2.10). Professional Boxing (2.50). Rugby League Preview (3.20). Rugby League (3.30, 3.55). Final Score (4.40).

5.05 News.
5.15 Regional Variations.
5.20 The Rod and Emu Show.
5.55 Jim'll Fix It.
6.30 The Action Film: "The Gumball Rally" starring Michael Sarrazin, Normann Burton, Raul Julia, Gary Busey.
8.15 The Les Dawson Show.
8.45 News and Sport.
9.00 The Odd Job Man. A serial in three parts by N. J. Crisp.
9.50 Wogan.
10.40 Match of the Day Special.
12.00-1.30 am Late Night Horror: "Legend of the Werewolf" starring Peter Cushing.

REGIONAL VARIATIONS:

Wales—5.15-5.20 pm Sports News Wales.
Scotland—12.15-5.05 pm As Grandstand (BBC1) except 3.20-3.50; 3.55-4.15 World Bowls. 5.15-5.20 Scoreboard. 10.40-12.00 Sportscene: Olympic Special.
Northern Ireland—4.55-5.05 pm Northern Ireland Results. 5.15-5.20 Northern Ireland News.
England—5.15-5.20 pm London—Sport: South West (Plymouth)—Spotlight Sport: All other regions—Sport/Regional News.

BBC 2

6.25 am-3.10 pm Open University.
3.10 Stars of the Silent Screen: Buster Keaton in "College."
4.15 Play Away.
4.40 The Sky at Night.
5.00 Saturday Cinema: Luis Bunuel's "Robinson Crusoe."
6.25 Glaciers.
6.50 Sight and Sound in Concert. The Boomtown Rats.
7.30 News and Sport.
7.45 Cricket: Third Test.
8.15 The Life and Times of Don Luis Bunuel.
8.50 C. P. Snow's "Strangers and Brothers."
10.45 The Weather in the Streets Preview.
10.50 News.
10.55 World Bowls.
11.40-1.25 am "The First Polka" starring Maria Schell, Erland Josephson.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.

12.15 pm World of Sport—12.20 Athletics; 12.45 News; 12.50 On the Ball; 1.20 Boxing; 1.40 Racing; 1.55 Pool; 2.10 Racing; 2.25 Pool; 2.45 Racing; 3.00 Pool; 3.45 Half time Soccer Round-up; 4.00 Wrestling; 4.45 Results.

5.00 News.
5.05 Fraggle Rock.
5.35 The Fall Guy.
6.30 Child's Play.
7.00 3-2-1.
8.00 T. J. Hooker.
9.00 News.
9.15 "Farewell My Lovely" starring Robert Mitchum and Charlotte Rampling.
11.00 London News Headlines followed by Rock Concert . . . Chaka Khan Live.
12.00 Best of Saturday Night Live and Night Thoughts.

CHANNEL 4

2.05 pm Make It Pay.
2.35 Hold That Ghost (Abbott and Costello).
4.10 Three Stooges: Ants in the Pantry.
4.35 Skateaway with Robin Cousins.
5.05 Brookside.
6.00 No Problem!
6.30 The Other Side of the Tracks.
7.30 News, followed by Union World.
8.00 Twenty Twenty Vision.
8.30 Royal Shakespeare Company in Newcastle.
9.35 The Avengers.
10.35 The Comic Strip presents . . .
†11.35 "Kiss of Death" starring Victor Mature.

S4C (WALES)

2.05 pm A Week in Politics. 2.45 Basketball. 3.40 Feature Film: "Swarm in May." 5.05 Yr Awr Fawr. 6.05 The Incredible Hulk. 7.00 Sgr. 7.30 Newyddion. 7.45 Siwrne Dda! 8.25 Treasure Hunt. 9.25 Y Maes Chwarae. 10.15 Arolwg. 10.45 Dream Stuffing. 11.15 Feature Film: "And Then There Were None."

REGIONS

All IBA Regions as London except at the following times:

ANGLIA

9.35 am Vicky the Viking. 10.05 Stingray. 5.35 pm Knight Rider. 11.00 The Roots of Rock 'n' Roll. 12.00 At the End of the Day.

BORDER

9.25 am Vicky the Viking. 9.50 Once Upon a Time . . . Man. 10.15 The Smurfs. 5.35 Knight Rider. 11.00 The Fugitive.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 9.30 Metal Mickey. 9.55 Wattoo Wattoo. 10.00 The Green Hornet. 5.35 pm Knight Rider. 11.00 The Roots of Rock 'n' Roll.

CHANNEL

9.25 am Thunderbirds. 10.25 Puffin's Pla(i)ce. 5.05 pm Puffin's Pla(i)ce. 11.00 The Roots of Rock 'n' Roll.

GRAMPIAN

9.30 am Noddy. 9.45 The Smurfs. 10.10 Falcon Island. 5.35 pm Knight Rider. 11.00 Reflections. 11.05 The Devlin Connection. 12.00 Newhart.

GRANADA

5.35 pm Knight Rider. 11.00 The Roots of Rock 'n' Roll. 12.00-1.20 am Thriller.

HTV

10.25 am Cartoontime. 12.13 pm HTV News. 5.35 Knight Rider. 11.00 Hill Street Blues. 12.00 Newhart.

SCOTTISH

9.25 am Cartoon Time. 9.35 Stingray. 10.00 The Flying Kiwi. 10.25 Adventures of the Mouse on Mars. 5.35 pm Knight Rider. 11.00 Late Call. 11.05 The Saturday Night Music Show.

TSW

9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 5.40 pm Knight Rider. 11.00 The Roots of Rock 'n' Roll. 12.00 The Washington Trail. 12.25 am Postscript.

TVS

9.25 am Wattoo Wattoo. 9.35 The Smurfs. 10.00 Mork and Mindy. 5.35 pm Knight Rider. 11.00 Jazz. 11.30 Comedy Tonight. 12.00 Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Sport Billy. 9.55 The Flying Kiwi. 10.25 TT Time. 5.40 pm Knight Rider. 11.00 The Roots of Rock 'n' Roll. 11.55 Journey to the Unknown. 12.50 am Post's Corner.

ULSTER

9.25 am Sports 1339. 10.20 Cartoon Time. 5.08 pm Ulster News. 5.40 Knight Rider. 11.00 Star Parade. 12.00 News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast, followed by Molatoons. 9.35 The Flying Kiwi. 10.00 University Challenge. 5.35 pm Knight Rider. 11.00 Pro-Celebrity Snooker. 11.45 City of Angels.

RADIO 1

(S) Stereo broadcast

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Hitsville USA (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.20 In Concert featuring Jo Boxers (S). 6.50 Sight and Sound in Concert featuring The Boomtown Rats (S). 7.30 Janice Long. 10.00-12.00 Gary Davies.

RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm [illegible] Comedy Show. 1.30 Sport on 2: Cricket. The Third Test: New Zealand v England at Auckland. Racing from Newbury. Winter Olympics: Women's Downhill from Sarajevo. Rugby League. 5.00 Sports Report. 5.45 Record Reviews (S). 6.00 Folk on 2. 7.00 Jazz Score. 7.30 An English Evening (S). 9.30 Big Band Special (S). 10.05 Saturday Rendezvous (S). 11.00 Ken Bruce (S). 1.00 am Jean Challis (S). 3.00-4.00 Wally Whyton (S).

RADIO 3

7.25 am Cricket: Third Test. 7.55 Weather. 8.00 News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release (S). 11.30 Mozart and Bruckner (S). 1.00 pm News. 1.05 Liszt (S). 2.00 Georg Philipp Telemann (S). 3.40 Rachmaninov (S). 4.15 Early Britten (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 The Iberian Organ (S). 7.15 The Bucket Rider. 7.25 Lully and Bach (S). 8.00 Gianni Schicchi (S). 9.00 Buddy Rich and His Orchestra (S). 9.45 The Talking Doll. 10.05 Concert (S). 11.15-11.18 News.

RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.48 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm The News Quiz (S). 1.00 News. 1.10 Any Questions? 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Homing In. 4.00 News, International Assignment. 4.30 Does He Take Sugar? 5.00 The Chip Shop (S). 5.25 Week Ending (S). 6.00 News, Sports Round-Up. 6.25 Desert Island Discs (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday Night Theatre (S). 10.00 News. 10.15 You the Jury. 11.00 Lighten Our Darkness. 11.15 Animal Language. 11.45 A Sideways Look At. 12.00 News. 12.10 am Weather. 12.15 Shipping Forecast. 12.23-12.28 The Chip Shop.

BBC RADIO LONDON

7.32 am Good Fishing. 8.04 London Today. 9.03 Inside London. 9.30 "On the Rates." 10.02 All that Jazz. 11.30 Robbie Vincent's Saturday Show. 2.02 pm Breakthrough. 3.30 The Great Composers. 5.00 Guideline. 6.30 Evening Star. 7.30 Hold the Front Page. 8.00 Eastern Ear. 8.30 Good Fishing. 9.00 As Radio 1. 12.00-6.00 am As Radio 2.

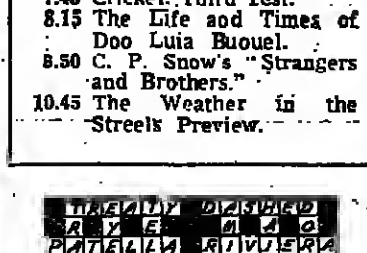
LBC

7.00 am AM with Peter Deeley. 10.00 Clive Bull's Fix-it Phone-in. 1.00 pm Sportswatch. 6.00 Des Fahy Reports. 7.00 Geet Mala with Suresh Joshi. 9.00 Network. 10.00 Adrian Love's Nightline.

CAPITAL RADIO

7.00 am The Breakfast Show. 10.00 Pick of the Pops—Take Two. 12.00 Love Song Saturday. 2.00 pm Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 Greg Edwards' Soul Show. 9.00 Roots Rockers. 11.00 Foreign Affair. 12.00 Midnight Special.

Solution and winners of puzzle No. 5,334



Ms Sheila Price, 76 Field Barn Drive, Weymouth, Dorset.

Mr T. M. Coulson, 13 Luxemburg Gardens, London, W6.

Mr A. E. Shilcock, 2 Mill Street, Chagford, Devon.

CHESS SOLUTIONS

Solution to Position No. 502.

1 N-N2, P-R4; 2 P-R4, K-N5; 3 K-B6! P-R5 (if K-R4; 4 K-Q5 wins Black's pawn); 4 K-N6, P-R6; 5 P-R5, P-R7; 6 N-Q3 ch and 7 N-B2 wins.

Solution to Problem No 502

1 Q-R6, K-B2; 2 Q-B8, and if B-N8; 3 P-N8=Q, or if B-N1; 3 B-R5, or if K-N3; 3 Q-Q8. If 1 ...B-N1; 2 Q-B6, and if BxN; 3 P-N8=Q, or if B-B2; 3 Q-Q4, or if B-R2; 3 Q-Q8, or if K-R2; 3 Q-Q4, or if K-B2; 3 B-R5.

When the postman joins your bottle party

BY EDMUND PENNING-ROWSELL

MOST WINES bought for home consumption in this country may be assumed to have been acquired off the shelf. If our per capita consumption of less than a dozen bottles a year is scarcely impressive, it is a good deal more than it was 10 years or so ago, and the increase has coincided with the great development of the High Street wine outlets.

After all, Sainsbury's now claims to be Britain's biggest wine merchant, with 15 per cent of the trade, and it has its rivals along the road, some of them wine-group stores. Moreover it is generally agreed that the growth in wine consumption is the result of more people drinking wine rather than people drinking mora wine.

It might be thought, therefore, that the traditional, stockholding wine merchapts are now of diminished importance compared with what they were a generation ago. But this is not certain. First, there are many more of them (some, however, very small) and secondly they are much more enterprising.

Whereas the off-licence shopper mey walk out with a coupla of bottles, the order of the wine merchant's customer is likely to total more like two dozen. The average order of one mail-order firm with which I am familiar comes to about £70; and the customer's annual expenditure with that firm alona is around £250. Some central London wine merchants may well show higber figures. And it is basically done by the quality of their wine selection, and its promotion is by means of attractive periodical catalogues distributed by mail.

Gone are the days when the main business was done over a glass of brown sherry or madeira in the partners' parlour.

What, then, are the requirements of a list that is likely to attract the attention of a sophisticated wine-drinking public infinitely better informed about the wines of the world than its its predecessors? Obviously a wide range of wines is of prime importance, and today that is likely to include Australian and California. Moreover there should be, where necessary and possible, some editorial comment and description, giving the impression that the firm knows what it is about, buys well and halpa the customer to maka what is inevitably a difficult choice among many unknown wine names.

Price must be a factor, and there the competition with the High Street is severe. For while the latter has rents and sbop assistants to pay, the traditional merchants have cellars and warebouses, cellar and dispatcb staff including, in most cases, vans, as well as capital locked up in vintage wines, which essentially is wbere they score over the off-licences. And whatever the delivery terms are, there is likely to be an on-cost of over £3 a case on each dispatch to their customers. Finally, the circulated lists and special offers that may supplement them should exhibit some style and individuality in design and presentation.

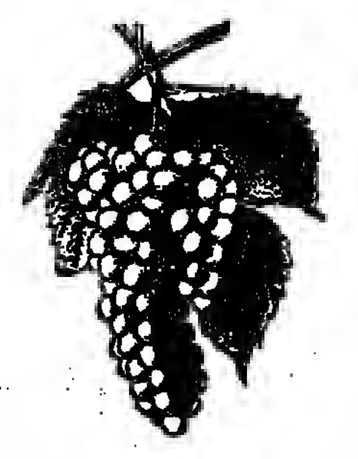
Accordingly, how do some of our leading firms show up in this respect just now? High on the list is tha attractively laid-out 80-page A4 catalogue of Lay and Whaelar of Colchester. With an exceptionally large range, it is highly informative but definitely for the wine amateur. Who else would buy the by-no-means inexpensive '82 Bâtard-Montrachet, which bears the comment, "It would be infanticide to drink yet. Leave fiva years."

The only off-putting, complicated factor in tbe list is the variation in prices, according to whethar cash-and-carry or credit terms are accepted, and with or without VAT. Surely the former can be simplified and those customers who ean pass on the tax be negotiated with separately?

The prices exclusive of VAT are the chief fault in Corney & Barrow's elegant, tall, narrow annual list; and it is by no means easy to discover this fact. No doubt many of their City of London customers are VAT-refundees, and are accustomed to making the necessary deductions. But it is very bard on the other customers and is near-misleading. Otherwise a most informative, well-written list, especially of claret, wlth a strong personal touch.

So, indeed, has the large-sized list of Adnams of Southwold, with posad pictures of tha staff and favoured wina suppliers. Written by its director, Simon Loftus, wbo did not endear himself last year to the Bordeaux trade by bis comments on the marketing of the 1982 vintage, it exudes confidence in the quality of the wines he has to offar; and not without some reason. It also contains some VAT and non-VAT price complications.

A special welcome must be givan to the new list of O. W. Loeb of Jermyn Street, SW1. Previously for many years its narrow-format list was about as äustere as one of those *trocken* German wines which fortunately they do not include in thair *hors-concours* list of wines from that country. Comments have been introduced, mostly on a vintage basis; and empbasising its sole agencies, the list gives the reader a feeling of confidence in the wines offered. VAT is now included.



Another recently changed list is Henry Townsend's of Amersham. Formerly set in typewriter style, it is now printed in what may be called a relaxed layout, suiting the generally rather up-market wines and spirits it includes.

By traditional standards the order is odd, with cbampagne listed at the beginning, and claret, in wbicb the firm specialises, in the second half.

Conventional wine lists are expensive to produce, and the type-written ones are not in *themselves to be despised*, as space and length can be saved. Green's of the Royal Exchange, EC3, bave crammed a great deal into 45 pages, even if the nseful notes on districts and vintages are too small to be easy on the eyes. And their prices are also ex-VAT. The contents of the typed list of La Vigneronne of Old Brompton Road, SW7, has an impressively wide range, but in the absence of almost any comment it would take a knowledgeable customer to know what to buy.

The concise 84-page list of Tanners of Shrewsbury, which concludes with a quotation from Ruskin warning against paying too littla, provides ample district and vintage notes for a very comprehensive selection. Robin Yapp of Mere, Wiltshire, has clients rather tban customers, and his chatty, informal notes on the Rhône, Loire and Alsace wines in which he specialises, manage to give the impression that would-be-buyers are privilegad to he able to ecquire the rerities he has managed to winkle out of dedicated growers. Les Amis Du Vin of Ariel Wey, W12, has members, wbo after paying a club fee of £10 for life, secure some discounts, so there is a member's price as well as a non-member's. Tbe list is utilitarian in appearance rather than attractive, but evary wine bas a note on it.

Avery's of Bristol used to be famous for the contents of its lists, and the latest issue is unrivalled for its red and wbite burgundies, now so thinly represented on many wine lists. But its notes are more informative on the Australian and California growthe in which it specialises than on wines nearer home.

Other lists to band, worth eending for, for their contents as well as their presentation include: Russell & McIver, St Mary-at-Hill, EC, which provides e wealth of comment in its large-format; Jnsterini & Brooks, wbose restrained but politely produced catalogue is rather more helpful to the uninitieted than its neighbour's in St James's Street, Berry Bros, whose almost totally unannotated list demands a visit to its premises; Laymont & Shaw of Truro, wbose dedication to Spanish wines results in a very informative list, particularly of Riojas; and Roger Harris of Weston Longville, Norfolk, who is no less dedicated to beaujolais as the exceptional range shows.

● In the article on wine tastings published on January 28 it was unfortunately necessary to cut the final paragraph on the tasting of 1959 clarets, thus giving a somewhat false impression of the results. What was omitted was the following:—

The Pauillacs and St-Juliens showed to be the best preserved, and for the former about 20 professionals and wine writers gave top marks to the Mouton-Rothschild, Pichon Baron and Lafite, in that order. (The Latour may not bave been the best of bottles.) The leading St-Julians were Léoville-Poyferré, Léoville-Las-Cases, Ducru-Beaucaillou and Beychevelle. The two other leading wines were Palmar and Haut-Brion. Possessors of precious bottles of this vintage should seek occasions to drink them.

Where Billy Bunter is still alive and well

BY JUNE FIELD

ONLY RECENTLY have collectors become aware of the attraction of the original work of illustrators. That is, the *original* drawing or watercolour by the artist for a newspaper, magazine, or book, which is not a print or reproduction.

Yet if it was not for the illustrators, how could we visualise Billy Bunter, Winnie-the-Pooh or Angela Brazil's *New Girl At St Chad's*?

The appeal of illustrations of all periods is considerable, embracing as they do such a diversity of talent. But traditionally, illustrations have mainly been the province of antiquarian book dealers, who often tuck them away in a portfolio in the back of the shop. As one dealer commented, displaying them is a problem.

Watercolour specialists have fairly recently taken on the big names of the Victorian period—John Leech, Arthur Rackham, Walter Crane and so on—but in general they fight shy of 20th century illustrators.

Author Simon Houfe is probably the most notable collector and researcher of illustrations generally, his interest initially stirred after he inherited the library of his grandfather, architect Sir Albert Richardson.

An essential guide for beginners and experts is Houfe's masterpiece of documentation *The Dictionary of British Book Illustrators and Caricaturists 1800-1914*, published by the Antique Collectors' Club in 1978.

The advice given for identifying a book illustration is particularly pertinent, explaining as it does the distinction between a genuine drawing for illustration and a genre drawing.

"The illustration tends to be more highly defined, more expressive in action and to contain details relative to the story which a more painterly approach would not have included."

He reminds us that the riddle is usually resolved by the small scale of some illustrations, two by three inches or six by four-and-a-half inches. No genre painter would wish to work to those measurements if he were not engaged on a book.

Dr Chris Beetles is a collector-cum-dealer of some 10 years, who has created a gallery on the first floor of his home, specialising in watercolours and books of the 19th and 20th centuries, with particular emphasis on illustrators.

"This is the market, which even though still undervalued, is really sparkling now, appealing to a whole new generation of collectors."

Customers vary from "an American millionaire who buys up all the Rackhams and Dulacs," to those who are happy with an Ernest Shepherd sketch for A. A. Milne's verse The Doormouse and the Doctor at £65, or, a Frank Reynolds *Punch* 1931 pen and ink at £100. (Dr Beetles has a large collection of Shepherd's work, bought at the artist's studio sale.)

From today until Sunday February 26, Chris Beetles is presenting an exhibition, *The Illustrators—The British Art of Illustration 1780-1980* at 104, Randolph Avenue, London, W9, open every day 10-5.

"The carefully selected display of some 250 works, all for sale, range from a Randolph Caldecott (1846-1886), pencil and sepia wash illustration to *Bracebridge Hall, The Combat on the Village Green*, at £50, to a superb Rackham, The Pied Piper of Hamelin, a pen and ink and watercolour, for the 1934 publication by Harrap and Co, at £12,500. Most items are in the £125 range.

The well-researched catalogue is free to callers and by post. Look for the work of C. H. Chapman (Billy Bunter about to tuck into a vast spread), John Hassall (watercolours for *Barbara's Song Book* by Cecile Hartog with words by George Allen, 1900), and some sharply observed vignettes of Hugh Thomson (1860-1920), done for Mrs E. R. Cooke's *Highways and Byways in London*, 1902.

The exhibition is also strong on fairy pictures, in which there is currently renewed interest. (Sparked off no doubt by the fairyland section in the current Victoria and Albert Museum exhibition *Richard Doyle And His Fomily*, on until February 26.) In *The Illustrators* there is an enchanting pen, ink and water-colour Bottom and the Fairies in the Wood, by Helen Jacobs (1888-1970), sister of humorous writer W. W. Jacobs, and one by Florence Anderson, At Play with the Fairies, 1917.

Various Batemans, Ardizzones, a Gerard Hoffnung, a Ronald Searle and a Gerald Scarfe provide the cartoon and caricature element of the show.

● Indispensable, too, for the collector, is the first comprehensive reference work on 20th-century book illustration in Britain, the *Dictionory of British Book Illustrators—The Twentieth Century*, by Brigid Peppin and Lucy Micklethwait.

Just published by John Murray at £30, it lists over 800 artists, from Joseph Abbey, born 1889, editor of *Chums* during the 1930s, who drew for several of Enid Blyton's books, to Anna Zinkeisen who, in addition to painting society portraits and sculpting, also designed book jackets and magazine covers. Her stylish sketches of women enlivaned *The Complete Hostess* by Quaglino, published by Hamish Hamilton in 1935.

The informative dictionary also reveals the names behind the pseudonyms, such as Cyril Bird, son of the English cricketer Arthur Bird.

Cyril, to avoid confusion with W. Bird (who was actually Jack Butler Yeats) of *Punch*, worked as Fougasse, which meant a type of French explosive noted for its unpredictable performance. He eventually became editor of *Punch* 1949-53 having achieved fame during World War II for his "Careless Talk Costs Lives" series of posters for the Ministry of Information.

Some chemical weapons for the war on weeds

GARDENING

ARTHUR HELLYER

WHAT PLACE have weedkillers in gardens? In small areas I think very little. Simazine may be useful to keep paths weed free for a year at a time since it moves very little in the soil and sa is unlikely to do any unwanted damage provided it is applied with care.

Lawn weedkillers may also be needed, at first to clear lawns of all their weeds and subsequently for spot treatment of the nccasional patch nf daises, nr the few plantains, dandelions and nther weeds that creep in however careful one may be. Some lawn weeds can be removed by hand, using spud nr trowel, but it is slow work and can leave the lawn looking very unsightly for several weeks.

Good selective herbicides, such as 2, 4-D or MCPA mixed with mecaprop, dicamba or dichlorprop to give a wider kill than would be possible with one chemical alone, are highly effective. After two or three treatments with an interval of a a month or so between each, the lawn is likely to be completely weed free for that year.

How many creep back the following year depends on how weed-free neighbouring gardens or meadows are. If a lot of weed seed blows in some is sure to germinate and that is wben spot treatment becomes useful. Some manufacturers offer special aerosol packs for this purpose and they are very convenient and effective but also relatively expensive. Another possibility is to use a tool that looks like a stout hollow walking stick with a sponge at the bottom which can be kept moist with the appropriate herbicide and can be used to smear it on to weeds. I keep a small trigger-operated sprayer for this kind of work and find this both satisfactory and economical.

Apart from tbis very basic use of herbicides, small garden owners may need to use them occasionally to solve special problems. There are a few weeds, sucb as ground elder, sheep's sorrel, and those species of oxalis that make hundreds of tiny bulb-like offsets, that may refuse to yield to any system of cultivation or hand weeding. Ground elder roots not only go deep into the soil but also get inextricably entangled with the roots of other plants and are so slender and brittle that some always break off and grow again.

Until a year or so ago such weeds as these seemed to be almost impossible to eradicate. Now I know that the job can be done with glyphosate but one has to be careful and painstaking about it. Glyphosate, which is marketed to gardeners es Tumbleweed and to farmers as Roundup, is e total herbicide which means that it will kill virtually all plants, good and bad alike. Its saving grace, which makes it acceptable in the garden, is that it operates through the leaves not through the soil and roots. So by applying it only to weed leaves and never to the leaves of plants one wants to preserve it can be made completely selective.

I use the same one-hand sprayer I have already mentioned and hold a piece of cardboard or a flower pot in the other hand to cover any garden plant leaves that may be close to the weed leaves but the sponge herbicide dispenser would be equally effective. It takes several weeks for the weeds to die and it is possible that a second application may be necessary if some pieces remain but I have now succeded in clearing several areas of weed that had previously proved intractable.

The bigger tbe garden the more likely it is that herbicides will have to be used on a greater scale. It depends how easy it is to get reliable labour and how much of it one can afford but there can be very few big gardeos today that could carry on entirely without herbicides. But the problems in big gardens are not always quite the same as those in small gardens. There is less time for the niggling, leaf by leaf treatment and more need for something that can be used with a bolder stroke. There is also the matter of speed of action. Glyphosate is slow and even in spring and summer, when it works most afficiently, it may take a couple of months for the treated weeds to dia completely. If ona is trying to clean up a garden because it is going to be opened to the public one may not be able to wait as long as that

It is then that paraquat comes into its own. In warm sunny weather one can see an effect in a matter of hours and by the following day the weeds may look as if they had been burned. They are unsightly at this stage but they do not take long to wither away.

Paraquat is a nasty poison that needs to be used with care but for garden use it is prepared in granular form, sold as Weedol, so that there is no danger of someone drinking it under the impression that it is Coca Cola. When diluted thera is no great danger, tbough hands should be well washed after use. It is particularly good at killing grasses of all kinds and I use it to keep circles clear of grass around fruit trees and shrubs. I have been doing this for over twenty years and see no ill effects. Paraquat has little effect on forget-me-nots and, as I throw old forget-me-not plants around the fruit trees to shed their seeds, I am rewarded with a circle of forget-me-nots in bloom eech May-June. It is a cheap and easy way to keep the orchard beautiful.

This leaves the problem nf brambles and scrub which can be a serious matter in woodland and wild gardens but should give no trouble at all in more frequently cultivated places. For years I have used one or other of the nettle and brushwood killers which most dealers in horticultural sundries sell and which are usually mixtures of 2, 4, 5-T and 2, 4-D. The first of these has acquired a bad name as thare have been suggestions that it may cause infertility, though this bas been denied. Nevertheless it was with some relief that I discovered last year that glypbosate will do the job just as efficiently tbough considerably more slowly. It is most effective if sprayed on to the leaves while they are still young and tha brambles or scrubs are still growing fast.

This past two years I have baen experimenting with a new herbicide, alloxydum sodium, which is being marketed as Weed Out. This is the precise opposite of a lawn waedkiller since it kills grass but is relatively harmless to other plants. I have found it efficient against couch grass and it bas proved useful in getting rid of this in the middle of some clumps of herbaceous parennials but I have not found it much use against fine leaved grasses. It could be compared with the old grass killer dalapon which I used years ago but eventually gave up because I thought it was harming otber plants.

Do not be tampted to use any systemic herbicides above the recommended rate. Overdosing may result in too quick a kill of those parts of the plant actually wetted, so preventing the chemical from penetrating more deeply.

Dai Hayward in New Zealand

Off the record

AS THE final Test between New Zealand and England gets underway in Auckland, the joy over the Kiwis' great victory has not died down. Nothing can spoil the euphoria — among cricket fans and even those sports enthusiasts who regard cricket as a rather pleasant but unimportant summer interlude between two Rugby seasons.

But the joy is coupled with anger and frustration about the television coverage. For, as eight England wickets crashed at Lancaster Park, Christchurch, last Sunday, television screens were showing an old movie.

On the Friday, there had been a ball-by-ball TV coverage as New Zealand's batsmen made a respectable 307 runs. Saturday was a virtual washout end Sunday became the second full day's play.

However, the New Zealand Cricket Council did not want live TV covarage on Sunday morning, for fear of affecting the gate receipts. Television stations had arranged to show a live commentary only of the last few hours of play.

As New Zealand bowlers scattered the England wickets with batsmen departing with the English scoreboard reading 14, 23, 25, 31, 31, and 33, thousands of frustrated and furious cricket fans besieged TV switchboards.

Eventually, TV chiefs and the Cricket Council's officials got the message, interrupted the early afternoon scheduled TV programme, to put the exciting and historic spectacle on their screens.

Tha television row did not stem the flow of national pride. Nobody in New Zealand could fail to know the result, or even the statistics it created. Pictures of the scoreboard showing England's dismal second innings tally of only 93 runs — including the little yellow duck alongside the name of three England batsmen — have appeared widely in the newspapers and on television.

Printed copies headed "Your Historic Souvenir Scoreboard" are tacked on office noticeboards and carried in the pockets of enthusiasts. The statistics lovingly recorded on nearly every published piece of paper. New Zealand is not so much gloating at England's ignominity as convincing itself that cricket in New Zealand has come of age and that the achievement in Australia and England over the past four years was not just a morning glory.

In the past, New Zealand has contributed to the record books in the chapter of disastrous results. So to become the first team for almost 50 years to restrict an England Test team to a score of less than 100 runs in each innings, is an achievement to boost the self-esteem of every New Zealand sporting enthusiast. And this week there are 3m sporting enthusiasts in the country.

New Zealand captain Geoff Howarth, and his players certainly glorified in their win. "Fantastic," "a memorable day," "I feel full of pride," were typical reactions from team members.

The victory was all the sweeter because before this series began there was some undignified and destructive public squabbling between several members of the team. There were differences publicly aired by Howarth and Richard Hadlee.

Early in the season it seemed this bickering could affect the performance of the team on the field, but their play in the first Test, and then the great performance at Lancaster Park, showed that all the differences had been resolved in the interests of winning.

The high team spirit was reflected in the way New Zealand came back off the ropes, when England's bowlers appeared to be on top to take convincing win.

With his eight wickets for only 44 runs in the two innings, and the solid 99 runs with the bat, Richard Hadlee is being toasted as the king of New Zealand cricket. But the public and Press have been lavish in their tributes and praise of the other ten players.

England captain Bob Willis has been called a bad loser after his criticism of the state of the pitch. As Richard Hadlee said, echoed by most New Zealanders, the ground was the same for both teams.

New Zealand need only to draw to win the series, but they are going all-out to repeat last week's victory.

The odds must be in their favour.

Sarajevo ... by Arthur Sandles

Magic on the bob-run

THE TWO-MAN bobsleigh race completed today in Sarajevo is, at most Winter Olympics just a side show—albeit an expensive and exhilarating one. But not this year.

Onca the province of the rich and famous and the military the sport has now moved into the hands of the science laboratories. The result has been a flurry of arguments about the Soviet Union's remarkable new bob, the withdrawal of the Americans and Swiss attempts at replicas after accidents, and the prospect, now diminished, of East Germany's stranglehold on the event being broken.

The situation reminds one of the America's Cup with the mysterious Australian keel, but it is difficult to think of the Russians as underdogs in any case. It is only in the past couple of years that they have started bob racing seriously. Today we will have a chance to see whether science can truly work magic on the sledge run. The hot money is still going on the East Germans.

Thursday's fogging out of the men's downhill and the storms of the last few days demonstrate the importance of outside forces in winter sports, particularly when compared with athletics. A strong wind a few degrees change in temperature, a mistake in the preparation of equipment are factors which can totally upset the form.

This turns today's women's downhill into a considerable gamble. If everything goes according to the form book Germany's Irene Eple will sail home closely followed by Maria Walliser of Switzerland and perhaps Jerry Sorensen of Canada.

But a question mark has been raised over Eple's fitness and tha relative ease of the course would not bring out the best in her highly aggressive style. In these circumstances the dark-haired Walliser could snatch the gold.

Regardless of conditions or ill-health amongst the favourites there is little point in looking for British names in the winning list. The UK has a very good, if very promising team, we might look for medals in 1988 but not in Sarajevo. We will have to wait until Tuesday before dusting off the flags for Jane Torvill and Christopher Dean when they meet their main rivals, Besemianova and Tukin of the Soviet Union.

More immediately the indoor rinks see a needle match this afternoon between the Soviet Union and the local team of Yugoslavia. In this ice-hockey battle the Soviets should chalk up an enormous score on their inevitable way to the final against their more likely eventual opponents, Czechoslovakia or Finland.

But remember, the USSR was beaten by another under-rated local team at Lake Placid in 1980—the Americans.

This Olympics has yet to produce its hero. At Lake Placid the honours were shared between Britain's Robin Cousins and the American speed skater Eric Heiden. So one of the fun games over the next few days will be spotting the winner of this years' popularity crown.

Clearly Torvill and Dean must be the favourites in 1984, and this is not just British chauvinism. The UK couple are getting considerable attention world wide, denying romance and paving their way to a lucrative professional career, once the Olympics are over.

There are, however, rivals for the crown of Olympic favourites among the women skiers. The women's giant slalom on Monday and its tighter-gated Special Slalom on Friday both contain interesting competitors. There is potential for one skier to win both events—if it were the pretty French girl Perrine Pelen this would do wonders for that nation's lowered ski morale.

A more likely contender is America's diminutive Tamara McKinney. But if the double goes anywhere it is much more likely to land in the experienced hands of Switzerland's Erika Hess.

Somehow I do not see the Russian two-man bob team being the glamourous heroes. Perhaps the engineer who designed their sledge should be.

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A time for reflection

THE DEATH of Mr Yuri Andropov, President of the Soviet Union, after only 15 months in office has come at a time when there are the first glimmerings of a realisation on both sides that East-West relations have deteriorated so far that they must be improved.

President Reagan signalled last month a new American readiness to talk to the Russians. In a smaller way Mrs Thatcher followed up in her visit to Hungary last week. On the Soviet side Mr Andropov had indicated in his last interview in Pravda that the time might have come for a resumption of dialogue.

Some of the talks on arms control, which were suspended towards the end of last year, are due to begin again. There has also been the opening of the conference on disarmament in Stockholm where Mr Andrei Gromyko, the Soviet Foreign Minister, had discussions with several of his western counterparts. The climate was beginning marginally to get better.

It has to be said, however, that any improvements were only tentative. It cannot really be taken as much of a breakthrough when the two sides agree to resume talks on mutual force reductions in Europe, since the talks have led nowhere for the last ten years. Equally, none of the conditions which caused the suspension of the talks about intermediate nuclear forces has changed. The Soviet Union continues to deploy more of its SS-20s and may even have brought them forward into eastern Europe. Nato continues its counter-programme of deploying cruise missiles and Pershing 2s. A resumption of the dialogue on the old basis may be better than nothing, but not much.

Judgment

There will now almost certainly be a pause as the Soviet Union picks a new leader who will then have to find its way between the coalition of forces in Moscow: the KGB, the army, and the apparatchiks. There could, and should, also be a pause in western diplomacy. For not only is this a waiting time to see how the new Soviet leadership emerges and the direction it wishes to take; it is also election year in the U.S. when initiatives can be taken for the wrong reason and can be ill-judged. The best course now is to reflect on what went wrong in the past.

Mr Andropov was not in office long enough for there to be any proper judgment on whether he really was a reformer. Certainly in terms of economic management be inclined that way, though there was so far to go he could make no great impact in his time. It may be also that on foreign policy he simply inherited the decisions of his predecessors and was unable to put them into reverse, even if he had wanted to.

Yet, in retrospect, some of the Soviet leaders must see that a major mistake was made in relentlessly deploying the SS-20s on the assumption that somehow the West would cave in and not take counter-measures of its own. There was no subtlety in the Soviet position. If the Russians had introduced a moratorium in their own deployment, it may just have been that the Western response would have been more conciliatory.

Error

Moscow's error was to watch the peace movements rather than public opinion in general, and it will be an interesting test of the new leadership whether it has learned that lesson.

For a while, however, it is possible to live without arms control. The balance of power between East and West is still such as to make war unlikely, and certainly unprofitable. The more important question is why relations deteriorated so badly. Many Russians, and some west Europeans, would say it was because of the more aggressive attitudes of President Reagan, though it should be remembered that the renewed American emphasis on defence began in the latter stages of Mr Carter's presidency and there were also congressional pressures against the ratification of Salt II. American policy-making is a complex process which the Russians again do not seem fully to understand.

Yet if Mr Reagan is sincere when he suggests that America is again self-confident enough of its own defences to resume negotiations, that is a good sign. American policy tends to move through phases of stressing strength and then peace. It may well be that when the elections are out of the way, the time will be ripe for more substantive talks than for a long time past. Mr Nixon when be was President had an idea of constructing a kind of seamless web of Soviet-American relations in such areas as trade, physics and medicine. That is a thought which could be returned to. For if relations in other spheres were better, it may be that arms control would look after itself.

Whoever emerges as Mr Andropov's successor is unlikely to be able to change very much very quickly. Indeed it is arguable that foreign policy has not changed much since the days of the Tsars. Yet the Soviet Union can be contained and it can keep agreements. The West now needs to watch while being ready to talk in due course.

Kremlin power brokers' dilemma

By Anthony Robinson

Marshall Dmitri Ustinov leans over fellow Kremlin power broker Andrei Gromyko, the Foreign Minister, to confe with 73-year-old Konstantin Chernenko (right). In the background one of the leading younger contenders, 57-year-old Vitali Vorotnikov (left) looks on while former Leningrad party boss Grigori Romanov looks over Mr Chernenko's shoulder. Also present at the Central Committee meeting in the Kremlin last December was 53-year-old Mikhail Gorbachev (not in picture)

YURI Vladimirovich Andropov is dead. But the men who engineered his rise to supreme power only 15 months ago are still alive, and so are the powerful Soviet institutions which they represent.

What the world now awaits is evidence that the men who ensured the smoothest transfer of power in Soviet history in November 1982, still have the power and ability to ensure that the succession to Mr Andropov is handled as skilfully as the transition from Mr Brezhnev.

In a way the task is now more difficult. At 68 Mr Andropov was the oldest man by far to become leader of the Communist Party of the Soviet Union. He was an interim leader—although the hope was that the interregnum would last five years or so, long enough to bring on a new generation of leaders.

It is always possible that the key power brokers — experienced septuagenarians like Marshal Dmitri Ustinov, the 75-year-old Defence Minister, and 74-year-old Andrei Gromyko, the veteran Foreign Minister—and a small group of other powerful men around the same age, will once again opt for a man of their own generation.

This would ensure that they, too, continued in power as the de facto collective government formed during Mr Andropov's lengthy illness.

In that case, Mr Konstantin Chernenko, the stocky 73-year-old Siberian who has spent his entire life beavering away within the Communist Party apparatus and was Mr Brezhnev's own choice as successor, could still fulfil the ambition dashed when Mr Andropov beat him to the post 15 months ago. Indeed, if the decision were taken to opt again for a figurehead leader to supervise the eventual emergence of younger men, the honour could equally fall on Mr Ustinov or Mr Gromyko.

But the odds must be stacked heavily against them. The Soviet Union has not been run by a physically fit leader since 1976 when Mr Brezhnev suffered his first heart attack.

The seven-year illness of Mr Brezhnev contributed to the sense of drift at home and abroad which Mr Andropov set out to counter with his forceful initial campaign to curb corruption, stiffen labour discipline and raise economic efficiency.

Had be been physically stronger and lasted longer, Mr Andropov might have gone down in history as the best Soviet leader since Lenin. His party, diplomatic and KGB experience, coupled with high intelligence and relatively wide cultural and intellectual interests compared to most of his Politburo contemporaries, marked him out as a worthy leader for a Communist super power.

But all the experience and qualifications were as dust in the light of his absence from the saluting base on Lenin's tomb at the traditional November military march past in honour of the Revolution, or the empty chair at the Central Committee session

Russians not only like their leaders to be strong—and no one doubted Mr Andropov's intellectual or political strength—they like that strength to be visible. This is the land of the Icon where the symbols of power are arranged hierarchically and the man at the top is Czar.

Symbolism apart, the signs were that in the absence of Mr Andropov, much of the initial drive behind the anti-corruption and efficiency programmes began to run out of steam. Resistance to the sacking of Brezhnev appointees and their replacement by Andropov men also stiffened. The absence of an effective head of state and party heightened unease, not only at home but also abroad.

In other words, the experience of the past 15 months provides powerful ammunition at the highest levels of the Soviet leadership for the argument that this time the Soviet power brokers and king-makers must grasp the generation nettle and opt for a younger man. Such pressures are reinforced by the natural pressure from below, from the middle-ranking party and government officials whose promotion prospects have been blocked for so long.

Decision making in the Soviet Union is the privilege of very few. The most powerful political organ is the Politburo. With the death of Mr Andropov this body now has 12 members, including Mr Vitali Vorotnikov, the 57-year-old Prime Minister of the Russian Federation, and 71-year-old Mikhail Solomentsev, who were promoted as recently as December 1983, and Mr Geidar Aliyev, the 60-year-old former KGB and then party boss in Azerbaijan, who joined ten days after Mr Andropov's succession.

In addition there are six candidate members of the Politburo whose views are listened to but who do not have the right to vote. This body now includes 57-year-old General Viktor Chebrikov, head of the KGB, who entered after last December's central committee plenum.

Formally the Politburo is the executive arm of the party central committee whose 330 or so members include powerful regional party bosses, industrial and farm managers, high ranking military leaders, propagandists, artists and a leavening of token proletarians like collective farmers and lady tractor drivers or Soviet symbols like astronauts and ballet dancers.

In practice the Central Committee normally meets in plenary session twice a year to discuss and approve formally decisions already made by the Politburo, including approval of the annual economic plans.

It is also usually convened after the death or, as in Mr Khruschev's case, removal of a leader to formally ratify the decision already made by the Politburo. Mr Andropov was unanimously approved by the Central Committee meeting ten days after his emergence as leader.

Barring any unexpected and untoward event the same procedure will probably apply this time. Mr Andropov had been dead nearly 24 hours before the announcement was made and the Politburo has effectively had the last six months to make up its mind about a successor, or successors.

What is virtually certain is that the next leader will be one of the 12 present members of the Politburo. He will not be either Geidar Aliyev or Dinmukhamed Kunaev, who are the only non-Slav members. The conventional wisdom has it that Russians, the ethnic majority in this Empire of over 100 nationalities, suffered too much under the Georgian Stalin, to have another "non-Russian" foisted upon them.

The three most likely candidates for the post of party secretary are Mr Grigori Romanov, the 61-year-old former Leningrad party boss who made the key move to a Moscow based central committee secretariat position last June, Mr Mikhail Gorbachev, at 53 the youngest man in the Politburo but with nearly four years membership under his belt and apparently well thought off by Mr Andropov, and 57-year-old Vitali Vorotnikov.

Mr Vorotnikov has moved up *with lightning speed* over the past 15 months. Mr Andropov recalled him from virtual exile in Havana, whence he had been banished as Soviet Ambassador by Mr Brezhnev in 1979, after sensing the hot breath of Mr Vorotnikov's ambition. His first task back in Moscow was to clean up corruption in the Black Sea resort areas of Krasnodar which, under Brezhnev-appointed local party bosses, had become a favourite fleshpot for party bosses and wheeler-dealers. He then moved back to Moscow first as deputy and then full Prime Minister of the Russian Federation, the biggest and most important of the 15 Soviet Republics which includes the Russian heartland and Siberia.

Vorotnikov, whose views about the West are a mystery, appears to have the credentials more as a future prime minister—to replace 78-year-old Nikolai Tikhonov—than party boss.

What these men have in common is relative youth—ranging from Mr Gorbachev's 53 to Mr Romanov's 61 years. This means that all were too young either to have taken part in Stalin's purges or to have played an important role in the war—the two most important and traumatic events in the lives of previous Soviet rulers. Indeed Mr Gorbachev was only ten when the war began.

This may be his weakest point. He is the best educated man in the Politburo—as a lawyer and agricultural expert—and impressed the Canadians with his urbanity and self-confidence during an official visit to Canada six months ago.

But the question which the military, KGB and Foreign Affairs lobbies will be asking is—is be tough enough? Could he be relied upon to commit Soviet military power to the resolving of problems vital to the maintenance of Soviet power?

This is a major issue at a time when the Soviet Union sees itself as having been forced onto the defensive by the big increase in U.S. military spending and the deployment of new cruise and Pershing 2 missiles in Western Europe and when East-west relations generally are so bad.

Mr Gorbachev's chances would almost certainly have been better had Mr Andropov lived long enough to secure a real improvement in U.S.-Soviet relations.

But the recent improvement in relations, marked by Mr Andropov's cautiously receptive response to Mr Reagan's call for a "more constructive relationship," is still only a chink in the curtain.

It is unlikely that the Kremlin power brokers would wish, at this stage, to send a conciliatory signal to the West by appointing a man who, rightly or wrongly, is seen by many western analysts as the least dogmatic, best educated and most attractive of the new generation of leaders. This is a time for much tough bargaining. Smiles can come later.

The same doubts would not assail them over Grigori Romanov. A senior U.S. diplomat met him recently and came away with the distinct impression that Mr Romanov was deeply anti-western and anti-American, with the tough and wily stubborness of his Russian peasant roots. It is an impression shared by many of the Leningrad intelligentsia who were outraged by reports that guests at Romanov's daughter's wedding had ended by smashing some of the former Czarina's crockery at a drunken party in the Hermitage. They see him as an uncultivated boor.

Yet he also gained the reputation of being a tough and relatively efficient party boss of the former Czarist capital. While he tolerated little political or cultural dissidence, he threw himself energetically into the supervision of an ambitious housing programme and the development of a highly sophisticated and extensive military, industrial and naval shipbuilding complex.

Mr Romanov may not rank very highly in the public esteem—but he is not running for elective office. Like all the other candidates he is seeking the support of the men who individually and collectively represent the vital organs of Soviet military, economic and political power.

They are looking for a man who will put new energy behind the drive for economic efficiency and give a free hand to party and security organs in the maintenance of the discipline and party authority. He must also have the authority, astuteness and toughness to defend Soviet interests in negotiations with the West over arms control and other issues and in general ensure that necessary changes will be made from the top down—without putting at risk the military or other bases of Soviet power.

From the outside Mr Romanov looks like the man most likely to fit these specifications—but that ignores the depth of possible opposition based on factors of which only insiders can have an inkling.

Anthony Robinson, the FT's Moscow Correspondent, was expelled from the Soviet Union last April and is now based in London.

Letters to the Editor

Unit trust ratings

From Mr David Fleming

Sir, — Your feature "Do the unit trust managers earn their keep?" (January 28) does not really consider unit trust investment from the investors' point of view. May I try to put the matter into context?

1. It does not make any sense at all to talk about probabilities without some corresponding concept of risk. People's perception of risk is not symmetrical.

Unit trusts do offer risk protection: the spread between best-performing and worst-performing unit trust is much less than the spread between best and worst share. So even if the average performance of private investors was better than the average for unit trust (for which there is not the slightest evidence), the utility of this performance to investors would have to be greatly discounted because of its greater risk.

2. The conclusion drawn from the London Business School's research — that only two or three out of 15 fund managers show significant stock selection skills — is odd. We must consider what stock prices are: they are the signals which *already* include all the information available to the market about the value and prospects of the companies concerned. Under these circumstances it would be very surprising if a majority of fund managers were consistently buying and selling shares in the light of correct decisions that they were under- or over-valued — this would imply that the market as a whole had become dozy beyond belief. If it really is true that 30 per cent of the unit trust managers studied by the LBS are able to buy shares so as to add significantly to the fund's value, that speaks of an industry whose best performers are very highly motivated indeed.

What, then (one might ask) is to be gained by the 80 per cent of managers without "significant stock selection skills" busily buying and selling shares? The answer is, obviously, the general good of the market. If the majority of dealers without "significant skills" were to give up the struggle and become PT instructors instead, then there would not be enough buyers and sellers in the market to see to it that prices did in fact reflect all the information available. With imperfect competition, the canny 20 per cent would be able to buy at less than the true market price; the cost of raising capital would rise, and the returns of investors in the inactive unit trusts would fall.

So, even if a fund management cannot be shown to add to the fund's value by its share dealing, this does not mean that it lacks "significant stock selection skills." On the contrary, it is these skills which protect the fund's value and which sustain the equity market as an attractive and useful investment.

3. It is not realistic to compare the actual results of investment with the FT Actuaries All-Share Index. No one actually invests in the index; if they did they would bear charges, dealing and information costs, which the index does not bear. Pointing out that an actuarial index performs better than an actually held portfolio is a bit like saying that London Transport could run the Circle Line more efficiently if it did not have to stop at stations and pick up passengers.

David Fleming,
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Hampstead, NW3.

Health care premiums

From Mr A. F. G. Bowen

Sir,—Your survey on Private Health Care (January 24) was read with interest. There are two points worthy of comment; one of them was obliquely touched upon by Gareth Griffiths.

It concerns group schemes on unrealistic premiums. I was in a company scheme where employees obtained a 25 per cent rebate, although employees paid contributions in full. Being made redundant, I unsuccessfully tried to persuade the provident society to continue this rebate for I had been with them over 28 years and in that time my total benefits were under £500. They refused, but to receive a 10 per cent rebate my annual contribution has to be paid in full — in advance.

At that time the society was advertising 40 per cent reductions for groups and, when challenged, spoke of both administration savings and actuarial benefits to the society. The latter must be untrue; how can figures group-wise and nationally vary to that extent? The aim was to tempt new group memberships. Obviously private individuals subsidise groups because of their lack of combined clout. This is most unfair: in fact, it is dishonest.

The other point I find equally distasteful is the way premiums escalate on retirement. It is at that stage people are more likely to require medical attention and yet their income may well deter payment of heavily loaded premiums. Those who paid for many years, received little benefit, are unwanted by the societies except at penal rates.

The societies need to put their houses in order. They claim to be caring. Perhaps Government should encourage their thinking on these aspects of an otherwise laudable system.

A. F. G. Bowen.
1 Birch Grove,
Potters Bar, Herts.

Pragmatic surveyors

From Mr A. J. Clements

Sir,—As a banker I hold no brief for the surveying profession but I must take up the cudgels on their behalf, to refute the statements made by your correspondent Mr L. Hutchinson (January 27).

In my experience, albeit newly entered to the bank mortgage market, I have found surveyors to be very pragmatic. I have found them realistic in their valuations and they try to accommodate both the lender and the mortgagee. For valuation purposes, they use the BIA formula recommended with due allowance for quality of fittings, demolition costs plus a base figure of square footage.

On one occasion, a customer of mine disputed the figure advised by the surveyor and subsequently the insurance figure was adjusted downwards, because there was a genuine mathematical error in the surveyor's computation. I would suggest errors of this kind are not usual.

If one of my mortgage customers should happen to buy a low cost bargain, then probably spend substantial amounts refurbishing the place, would he thank the bank's surveyor for recommending an insurance figure related to the buying price if a total loss should occur? I think not.

A. J. Clements,
Branch Manager, TSB Bank,
12, Lime Street, Bedford, Beds.

Problems of dyslexia

From Mrs Rowena Mills

Sir,—While it is very laudatory on the part of Sir Keith Joseph to initiate an updating and a general improvement of our whole chain of education, I am sad to see that there has been very little reference indeed to the considerable problem of learning difficulties.

One of the most serious of these, and most recently recognised, is that of dyslexia. Until recently, a child with dyslexia was simply regarded as stupid and usually relegated to the 'C' stream, often ending up with no 'O' Levels at all and finally being thrown on to the scrap heap of totally unqualified persons. However, in the last two or three years, the problem of the dyslexic child has become widely recognised and it is accepted that many of these children have a very high IQ, and that with fairly simple and limited remedial training, they can achieve excellent scholastic results.

One total anomaly, however, arises in respect of universities making allowances for dyslexic pupils. If a child can be "certified" as being dyslexic, he/she is given special consideration by that university examination board, and 'O' and 'A' Levels are reassessed in the light of the degree of knowledge in the papers, with disregard of poor writing, punctuation and grammar. As a result, many dyslexic pupils get very good 'O' and 'A' Level results.

However, an allowance is not made for either maths or English on the basis that English is English and maths is maths. Thus, when the students come to fill in their UCCA forms, and have to indicate that they have failed both maths and English, they find it extremely difficult to get into university, even though their performance in their specialist 'A' level subjects is likely to be very good indeed — and, losing heart, possibly even abandon the idea of further training at all.

It seems sad that, as a result of this illogicality on the part of the universities, we may be depriving ourselves of a large pool of brains and skills at a time when they have never been more needed!

Rowena Mills.
Rowena Mills Associates.
West Grays, Highercombe Road,
Haslemere, Surrey.

Portable pensions

From Mr D. Thomas

Sir,—Please allow me to repeat a frivolous tale so as to stress the key element in this debate. When asked the way to Dublin, the "local" at Dungannon (or was it Ballymena) replied "I wouldn't start from here."

Were all (pensionable) employees aged say 30 or below, a switch from "final-salary" to "money-purchase" would seem to be a reasonable solution — provided the limitation implicit in the latter arrangement were accepted, that is that the ultimate pension would be geared to the contributions rather than to the employee's remuneration immediately before retirement.

Partly for this reason the "money-purchase" concept was discarded in favour of the "final-salary" type scheme. If such schemes were to be dismantled and the members given the option to contribute to "money-purchase / portable pension" plans the process could in some cases cause hardship to those members approaching retirement.

This problem has of course been used by critics of the final salary scheme who argue that the contributions of the younger members of such schemes subsidise the benefits of those members nearest retirement. In itself this is a valid criticism; however, when viewed in light of the hardship that the dismantling process could cause to the older members, the argument fails on grounds not so much of logic as of impracticability.

It may also be helpful to remind ourselves that pension schemes—apart from providing guaranteed minimum pensions for contracting-out purposes—are not mandatory on an employer. If established schemes are to be dismantled in order to allow members to contribute to "money-purchase / portable pension" plans, doubtless some employers will be pleased to take this opportunity to opt out.

D. E. Thomas.
15, Berkeley Street, W1.

Are the markets the message?

RONALD REAGAN has been dealt a harsh reminder this week of just how quickly the fortunes of a U.S. President can change.

In the Lebanon Mr Reagan is having to face up to what may be the most serious foreign policy set-back since taking office.

And at home the collapse of share prices on Wall Street has raised a question-mark about the future performance of the economy—the foundation on which Mr Reagan is building his whole re-election campaign.

The new doubts revolve around two questions. In spite of the confident forecasts of most economists both within and outside the Administration is the growth of the U.S. economy this year as firmly based as investors had assumed? And how much flexibility will the Federal Reserve have to ease its monetary policy if growth should begin to stall?

The long-term sustainability of the economic upswing is no longer quite so confidently predicted. Federal Reserve chairman Paul Volcker and even Treasury Secretary Donald Regan this week issued guarded warnings of the risk of rees-

Bickering among Mr. Reagan's top economic advisers

sion if action is not taken to tackle the Federal budget deficits. The Administration optimistically projects that these will hover around the $200bn mark until 1987, but the congressional budget office predicted this week that they could be as much as a third higher if no action is taken.

That these warnings have been sounded in the midst of an outbreak of bickering and barely concealed personal rivalries among President Reagan's top economic advisers has not been missed in Wall Street's hyper-sensitive trading floors. Meanwhile, the disarray in Washington has dashed the hopes of President Reagan's political advisers that the issue can be shunted aside until after the general election later this year.

The collapse in share prices since the Dow Jones Industrial Average came within a whisker of its all-time high on January 9 this year has been as dramatic as it has been unexpected. It is still not clear whether the fall is simply a reaction to the 60 per cent surge in share prices from their bottom in August 1982 or whether, as Mr Volcker muttered this week, "The markets are the message." Is the stock market about to prove itself to be the most accurate leading economic indicator the U.S. has?

Most of the latest hard economic data — and most of the private and official forecasts—still point in the opposite direction to the way the share indices have been moving.

True, the fourth quarter figures for the growth of the real gross national product showed a fall to 4.5 per cent from the 7.6 per cent rise recorded in the third quarter. But most economists have concluded that the decline understates the true momentum in the economy, something Mr Volcker underscored this week. And they welcome the slowdown to a level which they see as more compatible with the need to keep inflation under control.

Within the individual sectors of the economy, too, the picture is still encouraging. Consumer spending, which absorbs two-thirds of national output, expanded strongly in December and that momentum seems to have carried forward into January. Car sales, for example, hit an annual rate of 11.2m units last month, the strongest figure in four years.

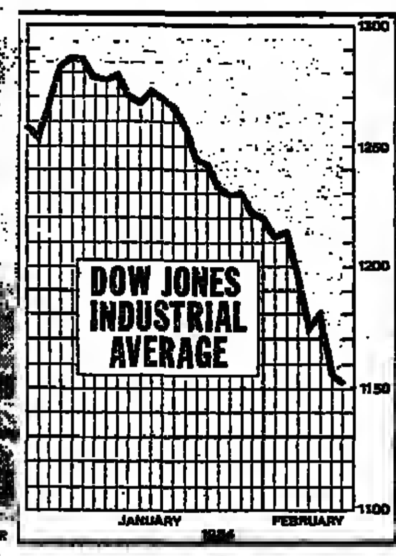
With unemployment falling more rapidly than expected to 8 per cent in the past few months and hours worked rising, personal income should be rising. Most measures show that the consumer, who has already been borrowing heavily, still has room to take on further debt. Housing sales are also unexpectedly buoyant.

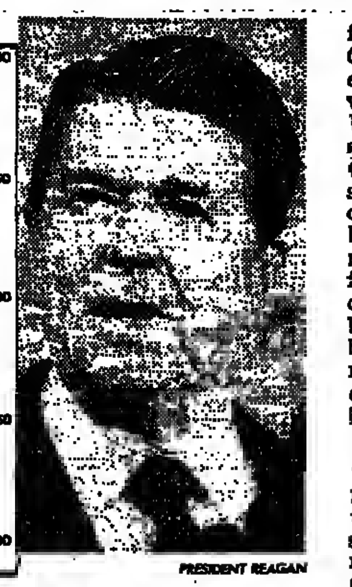
The fall in the stock market could, if it continues, begin to erode consumer confidence which has also been riding at peaks not seen for several years. But so far the fall has left private shareholders with a well-padded cushion in comparison with the August 1982 low.

Elsewhere, most economists continue to see in government deficit spending a force which, at least until its credit demands begin to merge with rising private credit needs, will give the economy a further boost.

Stock levels are low for this stage of an economic upswing so the danger of a heavy bout of de-stocking seems to be limited. While there are doubts, voiced this week by Mr Volcker, about the quality of capital

PAUL VOLCKER





PRESIDENT REAGAN

spending because it has tended to concentrate on short-lived items such as vehicles and data processing equipment, nevertheless it has still been rising strongly. The Commerce Department is projecting real growth of some 9 per cent for 1984. But what's missing, as Mr Volcker pointed out, is long-term investment in the expansion of capacity.

In sum, apart from the relatively sluggish growth of the narrow M1 measure of money supply and some fears about corporate profits after a fourth quarter slow down in productivity growth most of the current economic data looks encouraging.

But the fear that the historic evidence is already out of date—and the warnings this week of the risks looming ahead—help to explain why Wall Street has trembled despite a virtual consensus that GNP will grow by 5.3 per cent in real terms this year.

The chief concern is the long term sustainability of the economic upswing. Because of the budget deficits there is a growing danger that unpredictable market movements, especially in the foreign exchanges, could undermine the economic recovery with scarcely a warning.

The clearest expression of the risks ahead has been sounded out of Washington in the past 10 days, as the Federal Reserve Board has spelled out the limits it sees to its freedom of action.

At the beginning of the month the central bank released the public record of its policy deliberations on December 20. Investors, who had expected that as the economy slowed the Fed would, in today's relatively benign inflationary environment, be able to nudge interest rates down, were shocked.

The record revealed that the central bank came within an eyelash of voting to tighten its monetary policy because of the risk of inflation rising and because of the momentum in the economy. Some members of the Open Market Committee feared that this would lead to a faster economic expansion than the Fed's staff economists are predicting.

What investors may not have realised is that, from the Fed's vantage point, there was no slowdown in the fourth quarter. Domestic demand was still rising at about a 7 per cent annual rate. The slowdown in output reflected partly the weather and partly the very development which was at the heart of Mr Volcker's warnings this week—the rapid deterioration in the balance of payments.

Private economists have pointed out that although fourth-quarter GNP slowed, the main reason for this has been the deterioration in the U.S. net export position as the trade deficit has soared to almost $70bn last year. The Council of Economic Advisers has warned that the trade deficit could rise to $110bn this year as the strength of the dollar further undermines the competitiveness of U.S. exports.

The Fed's dilemma is that while it can see that a further deterioration in the export sector will tend to weaken the GNP figures, the extent of such a deterioration—or even if it will occur—is hard to predict. To ease monetary policy now, with the economy apparently steaming ahead, would tend to boost domestic demand and inflationary pressures more.

Alongside these short-term challenges to monetary policy, the markets have had to absorb some brutal reminders of the longer term and unpredictable risks that now face them.

Chief among these, as Mr Volcker pointed out, is the danger that U.S. capital imports could rise to $80bn this year, double last year's inflow. He warned that over the years 1983, 1984 and 1985 such heavy overseas borrowing would make the U.S. a net debtor nation, reversing the net investment position the country has built up since World War II, and, incidentally, undermining the contribution which net income from overseas has traditionally made to balancing the current account.

The U.S. he seemed to be hinting, could face the same sort of monetary policy dilemma which his colleague Herr Karl Otto Poehl, the Bundesbank president, faced in 1981. He was forced to raise interest rates to fight a plunge in the value of the D-mark and curb imported inflation even though the economy was sinking into recession.

Mr Volcker spelt out coldly the dangers that if confidence in U.S. economic policy waned, it could become much harder to attract dollar inflows. Some economic analysts point out that there are already signs that the dollar is more vulnerable than it was a year ago, because of a change in the structure of currency inflows. More of these are now coming in through Eurodollar deposits with banks where investors are putting their deposits in order to be able to swing out of the U.S. currency quickly.

They warn that while a sharp fall in the dollar, which the Council of Economic Advisers estimates is 33 per cent overvalued, would add to domestic U.S. inflationary pressures, a slow decline would also be hard to deal with. Dollar investors in such conditions would have to calculate closely the balance between the interest rate of return and the erosion of the foreign exchange value of the currency. The problem might be alleviated if foreign central banks lowered their interest rates to narrow say dollar/mark differentials. But this might be hard to organise.

A fight out of the dollar as the Fed is forced to hold interest rates steady or even raise them to counter the trend is a scenario calculated to make more than Wall Street investors quake. As one Fed official pointed out, unlike the mark, the dollar is the key international currency which places a special responsibility on Mr Volcker's shoulders.

There is no inevitability about any of these possibilities. But what the testimony in Washington over the past week has laid bare is the range of risks related to the budget deficit problem if it is not

A scenario to make more than Wall St investors quake

tackled. Bond yields and high real interest rates demonstrate that investors already understand that the combination of potential private and public credit demands plus residual inflationary expectations leave little margin for interest rates to fall.

The larger question behind all this is how it has affected President Reagan's thinking. Mr Reagan has made no attempt to disguise his scepticism about economists, whom he recently described as "doom criers." But he and his political advisers may now be beginning to feel that the balance of political advantage is swinging away from trying to shunt the deficit issue on to the sidelines and towards tackling what Mr Volcker described as the "excruciating" political decisions needed to cut soaring deficits.

Wall Street will be watching both the political winds, as well as the economic indicators, in the next few weeks, knowing that the political foundations of the President's re-election campaign could this week have begun to crumble.

Hereditary titles back in fashion

By Ivor Owen

BY MAKING it clear that hereditary peerages are back in fashion, has Mrs Thatcher put the clock back or just put it right?

In personal terms few are likely to cavil over the fact that as he approached his 90th birthday, Mr Harold Macmillan finally allowed himself to be persuaded to accept the Earldom he was first offered when he resigned the Premiership in 1963. At the same time, it is evident that there are many among his well wishers who would have preferred to see him keep to his earlier judgment: that to have won Britain's supreme political prize and held the office of Prime Minister is the greatest honour that can be conferred on any man.

Mr Macmillan once described Sir Winston Churchill—who is said to have declined a Dukedom when he finally relinquished office — as "a rock against time and ennoblement." And until this week's announcement it was widely believed at Westminster that he was equally determined to avoid taking a seat on those red benches which distinguish the up-market end of what is still the best club in Europe.

Two other hereditary peerages have been recommended by Mrs Thatcher since last June's general election, and the personal qualities of the two recipients are also widely admired. They are Viscount Whitelaw, the current leader of the Lords and in all but name Deputy Prime Minister, and Viscount Tonypandy, the former Speaker of the Commons, Mr George Thomas.

The hereditary peerages conferred on them — in earlier days a Viscount was the regulation reward for ex-Cabinet Ministers and retiring Speakers —were seen as a positive decision by Mrs Thatcher not only to mark the distinguished public service of two outstanding men, but to show a break with the practice of not recommending hereditary awards which was introduced by Mr Harold Wilson in 1964 at the start of his first period of office as Labour Prime Minister.

Such a break, Mrs Thatcher insisted, was not reactionary or putting the clock back. It was putting it right by reviving a valued custom which should never have been dropped. The fact that Mr Edward Heath did not recommend any hereditary honours, when he succeeded Mr Wilson, seems to have made her all the more convinced that she was doing the right thing.

In the case of Lord Whitelaw and Lord Tonypandy her action was no more than a gesture in political terms, since their titles will die with them.

Mr Macmillan's Earldom—the rank in the peerage traditionally accorded to former Prime Ministers, on their elevation to the House of Lords—carries with it wider political implications since in due time, it will be inherited by his son, Mr Maurice Macmillan, the Conservative MP for Surrey South West, who will hold the courtesy title of Viscount during his father's lifetime.

Present indications are that Mrs Thatcher intends to recommend hereditary peerages only on comparatively rare occasions to persons who have made an outstanding contribution to the services of the nation. But nonetheless, the reversion to first creation hereditary peers even on a limited basis, is likely to prove highly controversial. It will be seen as confirmation that Mrs Thatcher is content to let an unreformed House of Lords (still numerically dominated by hereditary peers and with an inbuilt Conservative majority), continue its inherently undemocratic role — a role which is not insignificant, particularly because of its functions as a revising chamber.

Ironically, while Mrs Thatcher, demonstrates her attachment to the hereditary principle, it is the life peers, introduced by Mr Macmillan's Government in 1958, who have been mainly responsible for reviving the reputation of the House of Lords as a chamber which, drawing on expert opinion on a wide variety of topics, has high debating standards.

It was another former Conservative Prime Minister, Disraeli, who provided the best description of translation to the Lords: asked how he found life there after the more earthy and robust atmosphere in the Commons he replied: "Dead, dead but in Elysian fields."

Weekend Brief

A tough, new breed of soccer bosses

When Louis Edwards was chairman of Manchester United and the club was playing important European matches, he would put a note in the programme exhorting the "Old Trafford faithful to give the visitors "an old-fashioned Lancashire welcome." There is little old fashioned and nothing "Lancashire" about the man who would be his eventual successor.

Robert Maxwell, the headline catching millionaire publisher and printer, wants to buy control of the club from Louis' son, Martin. For all that Louis, with his personalised champagne bottles, fitted the stereotype of the bluff, good-living football boss, he and his son were and are totally dedicated to Manchester and Manchester United.

Nobody would have mentioned Maxwell and professional football in the same breath until two years ago when the chairman of Pergamon Press and the British Printing and Communications Corporation put up £124,000 to save Oxford United, his local club, from receivership. Maxwell has even said that he supports Arsenal; to the obsessively loyal United crowd, the Gunners exist solely to be dumped out of the FA and Milk Cups.

Maxwell is another member of the new breed of commercially tough new soccer bosses now challenging the family dynasties which have controlled the game since the last century.

The triumvirate of Paul Bobroff, Irving Scholar and Douglas Alexiou which now controls Tottenham Hotspur are avowedly life-long Spurs fans but where they want to take the club and the image they want it to present differs markedly from the football club of old.

Gone are the days of cloth caps, beef tea and a meat and potato pie at half-time. Spurs is now a quoted company, listed on the main Stock Exchange. Its long-term plans are to build up a property development and investment arm and to invest in leisure activities.

Bobroff was the driving force behind the £3.8m Spurs flotation last year and it was his decision to build houses near the club's Cheshunt training ground, to retail Spurs equipment and memorabilia in a new supermarket adjoining the Tottenham stadium and to sell holidays and tours to Spurs fans.

A successful North London property developer with Markheath Securities—the first company to transfer from the Unlisted Securities Market to a full Stock Exchange quote—Bobroff shuns the social gladhanding but his success with Spurs' quotation has clearly stimulated other clubs.

Queens Park Rangers has outline plans for a USM quote and Kleinwort Benson, the merchant bank, could take Manchester United to the stock market if the talks with Maxwell, or the rival bid from Manchester businessman, Peter Raymond, come to nothing.

If Maxwell fails to reach agreement with Manchester United or the Raymond faction somehow takes the bidding above his limit, which seems unlikely, it is possible that he will turn his attention to the Highbury club, where his loyalties originally lay.

Arsenal has been controlled for three generations by the Hill-Wood family. The latest in the line is Peter, a director of Hambros Bank. There is a newcomer to the board, David Dein, a commodity broker and fanatical Arsenal supporter who has acquired Arsenal shares worth £300,000.

A new way of selling old masterpieces

"I expect to be nervous," says Mr Julian Agnew, a rare admission from the managing director of one of the oldest and most respected firms of Bond Street fine art dealers—a breed which lives on its urbane confidence. What is making Mr Agnew nervous is the approach of 12 noon on February 24 when he will discover whether his gamble on a new method of selling expensive works of art has paid off.

That noon Mr Agnew will be opening sealed envelopes containing bids for a painting by the American artist John Copley of Mrs Thomas Gage, a Bostonian lady of the late 18th century who married into the British aristocracy. Agnew's is selling this important painting by tender: it will go to the highest bid, which should be well in excess of £1m.

Increasingly paintings of this quality are either sold at auction by Sotheby's or Christie's or through a negotiated deal between the owners and a national art gallery, with tax advantages for the vendor. Dealers like Agnew's still have their buyers and sellers, with whom they have often worked for generations. But in the case of the Copley none of the usual methods of disposal seemed to be appropriate when the executors of the 6th Viscount Gage, who died in 1982, decided to sell this particular family painting — not identified as Mrs Thomas Gage let alone a Copley until 1939—to raise enough money to maintain the Gage family seat at Firle in Sussex.

Julian Agnew with the painting to be sold by tender.

There were no tax advantages to be made from selling it to a national art gallery, and no British gallery showed any interest in the painting anyway. The American links pointed strongly to a trans-Atlantic buyer but Agnew's is very much a British company. A sale by tender after showing off the painting in New York and London seemed likely to attract the best price.

Mr Agnew expects at least half a dozen bids to arrive on the Friday morning and after the exhibition in New York he has raised his expectations of the price. Americans are now prepared to pay up to $3m for paintings by their compatriots and Copley was the first great American artist.

The eventual buyer is likely to be an art gallery, perhaps the Mellon collection which acquired Copley's portrait of Mr Thomas Gage a decade ago. But Mr Agnew is not discounting an enquiry from the Getty Museum at Malibu. It would be a new area for them but with over $1m a week to spend on works of art they would not be worried about the size of their bid.

If the sale is a success the auctioneering world will be decidedly miffed.

A spokesman for Sotheby's said, understandably, "It's not quite the way I'd like to buy an expensive object."

BBC pressure for TV licence fee of over £60

Stories of government Ministers opposing the BBC's bid for an increased licence fee—on the grounds that the corporation has thrown in the towel and conceded the lead in quality programming to ITV—do not seem to be having quite the expected effect. Before the storm broke the received wisdom was that the BBC's campaign was aimed at a new figure of £60—a rise of £14.

Then came the warnings reported by political correspondents on "lobby terms" meaning that the identity of the minister who attacked the rubbishy nature of *The Thorn Birds* was concealed. It emerged, however that the critic was none other than Douglas Hurd, Minister of State at the Home Office.

He had not actually watched any of the offending series, it seemed, but his wife Judy saw Episode 1 and concluded like many other viewers that *Jewel in the Crown* on ITV was much better. Pretty thin ground on which to build stories of "government opposition" perhaps, but Mr Hurd is after all the minister with responsibility for broadcasting so you might expect a little circumspection from the BBC. But not a bit of it.

In last week's issue of *The Listener* Aubrey Singer, managing director of BBC Television, hit back claiming that the corporation's ratings slide was *insignificant—pooh-pooing* the importance of the Top Ten ("head counting is counter-productive,") and calling in aid the television critic of the *Financial Times*, who, he reported, "recently pointed out that this television season is the richest that he can recall." What the FT article actually said was "if things go on as they have started this will prove to be one of the best television years for a couple of decades." It was notable that of the series named in support of that claim, four were ITV and only two BBC.

But the most interesting item in Mr Singer's counterblast is the figures he suggests for a new licence fee: £91. Claiming that "privateers" expect viewers to add "at least £200 a year to the licence fee for cable and other services" Mr Singer asked "at this rate would 25p a day for double the licence be too much to ask?" Considering the paranoia with which the BBC usually guards its target figure during licence fee campaigns, that sum is extremely interesting, if only as a kite flown deliberately high in order to allow room to pull it down and still achieve something better than the figure they first thought of. BBC sources confirm that the corporation is, indeed, looking for considerably more than £60.

Contributors:
Ray Maughan
Antony Thorncroft
Chris Dunkley

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.25	8.25	8.25	7 days' notice. No interest penalty
			8.75	Higher Interest acc. 90 days' notice or charge
				6.00-7.50 Cheque Save
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	8.25	Monthly Income—3 months' notice
			8.50	28 days' notice. Imm. withdwl., 28 days' penalty
			8.25	7 days' notice. No interest penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice 1 months' penalty
Birmingham and Bridgwater	7.25	8.75	8.25	1 mth.'s notice or 30 days' int. pen. £500 min.
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			8.25	7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice, 8.50 2 months' notice
Cardiff	7.25	8.25	—	
	*8.50	—	—	*Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75	Variable. 8.85 Permanent 2/3 years
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum, 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 month's not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty
			8.50	Xtra Interest PLUS 28 days' notice, no penalty
			8.75	Special Inv. Cert., 3 months' notice/penalty
Heart of England	7.25	8.50	8.25	5-Day Notice Share Account
Hemel Hempstead	7.25	8.50	8.75	3 years, 8.50 28 days
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.10	28 days plus loss of interest, 8.25 3 months
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	9.00	2 years with monthly int. 8.75 1 month's pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min., 28 days' notice/penalty
Leicester	7.25	8.25	8.25	3 months. 9.02 compound 3 years
London and Grosvenor	7.75	—	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.75	8.75	3-yr. term with 0.5% bonus on mat'y if reinv'td.
Mornington	8.50	8.50	—	
National Counties	†7.55	8.55	9.10	28 days' notice & loss of interest. † £1,000+
National and Provincial	7.25	8.25	8.50	1 month's notice or immediate and interest loss
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 years, 8.25 28 days' notice, or on demand with penalty. 8.50 90 days' notice, or on demand with penalty
Northern Rock	7.25	8.50	8.25	7-Day Moneyspinner, 7 days' not. wdl. no pen.
			8.75	Premium Moneyspinner on demand, 28 days' loss of interest on amount wdn.
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.25	1 month, 8.50 2 years, 9.00 3 years
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 months, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	8.25	£1,000-£4,999 Sovereign, no penalties, no notice
			8.50	£5,000+, no penalties, no notice
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7 days' notice, 8.50 Sx.Sh., 7.50 Sh. a/c £2,500+
Sussex Mutual	7.50	9.00	8.75	1 month's notice/immed. with 28 days' penalty
Thrift	8.15	—	9.15	3-year term. Other accounts available
Town and Country	7.25	8.25	8.75	3 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	7 days' notice no interest penalty. ½-yearly int.
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	7 days' notice
			8.50	28 days' notice or on demand (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Brixton Estate places £15m debenture

By Alison Hogan

Brixton Estate, the property development and investment company, has placed £15m of debenture stock which virtually eliminates all its UK variable interest rate borrowings. This follows a placing of a similar amount of debenture stock in April last year.

Yesterday, it placed £15m first mortgage debenture stock 2023 with a gross redemption yield of 11.588S per cent, set at a margin of 1.10 per cent above the gross redemption yield on 13½ per cent Treasury stock 2004/08. The coupon is 11⅛ per cent and the issue price £97.782, payable as to £25 per cent on acceptance and £72.072 per cent by July 13.

Dealings are expected to begin on February 14 for settlement on February 17. J. Henry Schroder Wagg are the financial advisers and Grenfell and Colegrave and Rowe and Pitman, brokers to the issue.

● **comment**

The return of Brixton Estate to the fixed interest market comes as no surprise. The company self-finance developments and keeps properties freehold. It has always been conservative in its financing, preferring fixed rate borrowings to plan a more certain future. The £15m debenture stock in April heralded a more active development phase. Yesterday's move follows hot on the purchase of the freehold interest in Argent House Finsbury Square from Legal and General Life Fund for £8.5m. Finsbury Square is expected to cost around £15m including refurbishment (coincidentally matching the debenture stock). If Brixton gets £17 per square foot it could be worth over £20m. With further acquisitions close at hand, Brixton will soon see its variable rate debt increasing again and the chances are that it will be back with yet another tranche of debenture stock early in 1985. The shares closed 1p up at 113p.

Gripperrods ahead

Pre-tax profits of Gripperrods Holdings, maker of carpet underlay and laying fittings, rose to £489,000 for the first half to October 31 1983. This compared with £370,000, which included £40,000 losses on the disposal of Cimco International.

The directors are "cautiously optimistic" that results for the year will be satisfactory, to set against pre-tax profits of £911,000 for 1982-83.

The current year's interim dividend is raised to 1.68p net per 10p share, compared with 1.4p. Last year's total payment was 4.65p.

Turnover in the first half was up at £8.45m (£7.41m). The profit, after tax of £254,000 (£210,000), totalled £235,000 (£160,000). Earnings per share were 9.4p (6.4p).

Hogg Robinson

A proposal is to be made for the early repayment of Hogg Robinson Group 8¼ per cent unsecured loan stock 1995-2000 on the basis of £100 cash for every £100 nominal of the stock, and so in proportion for holdings of any other amount.

Holders will also be entitled to receive interest accrued to the date on which the proposal is implemented.

Second-half boost pushes Wagon Finance over £2m

TAXABLE PROFITS continued to expand at Wagon Finance Corporation in the second half resulting in an overall year's outcome some 87.5 per cent higher at £2m against £1.07m.

At the interim stage profits were ahead by 77.7 per cent at £457,272 compared with £257,335.

Turnover for the 12 months to December 31 1983 was £22.04m (£18.76m) and the taxable result was struck after interest of £7.71m (£7.24m).

The final dividend, of this instalment credit finance concern, is lifted from 1.6875p to 1.875p per 25p share raising the total payout to 2.5p against 2.3125p.

Profits were subject to tax of £1.13m (£267,933), after which earnings per share were 3.7p (1.88p).

Looking ahead, Mr S. M. de Bartolome, chairman, says that the company will have to expend considerable time and energy this year preparing for the implementation of the final changes being introduced in 1985 under the Consumer Credit Act.

It will also be necessary, he says, to continue the vigilant monitoring of arrears due to the greater exposure arising from easier terms.

At the year end the company's instalment credit balances stood at £97.44m (£88.25m)—less unearned finance charges of £17.86m (£16.7m).

Although greater competition for new business is expected this year, the directors are confident that the group is in a strong position to face the future.

Mr Bartolome intends to retire at the end of June. The board proposes to appoint Mr J. Chopping to succeed him in the capacity of executive chairman with Mr J. O. Skelton becoming sole managing director and deputy chairman.

● **comment**

Wagon seems to have pulled out all the stops in the second half. In fact the reasons for the big jump are less dramatic than the profit figure suggests, with their origins going back to 1981. At that time the company opened eight new branches and it is only now that the overheads have been fully offset, leaving the added business to come straight through to the profit and loss account. On top of this there has been solid organic growth across most of the group, thanks largely to the lifting of HP controls. The point here is that the nature of the business provides a large carry-forward position, with all turnover advances providing the foundation of profits in the future. A key indicator of what is in the pipeline is the level of interest outstanding on loans made. At the moment this is standing at £17.8m—£1.2m more than a year ago. Against this must be charged the rising burden of bad debts but, according to Wagon, there are indications that these might be stabilising. All this has clearly given the company enough nerve to raise the dividend for the first time in five years. At 50p, up 3p, the shares are selling on a p/e of 13 (taxed earnings) whila the yield is 7.4 per cent.

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
Channel Is & Intnl	int	44‡	May 4	40	44	40
Gripperrods	int	1.68	–	1.4	–	4.65
Second Alliance	int	3.25	April 5	2.75	–	10.75
Stonehill	int	1	April 11	nil	–	2
Wagon Finance	int	1.88	Mar 30	1.69	2.5	2.31
Wiggins Group	int	1.25	April 4	1.25	–	3.4

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted. ¶ Gross throughout.

Stonehill cuts loss at midterm

A REDUCED pre-tax loss of £54,000 against £206,000 is reported by Stonehill Holdings, the domestic furniture manufacturer, for the 32 weeks to November 13 1983.

This confirms the forecast of improved results made last July by Mr Philip Steinberg, chairman. And he now says he expects growth to continue into the foreseeable future.

Turnover for the opening period of 1983-84 increased from £8.51m to £8.9m and there was a

The loss per 25p share is 1.71p pared with a deficit of £52,000, before depreciation of £149,000 (£154,000). Below the line there was also a debit of £43,000 (£187,000) in respect of extraordinary items.

feels this will further improve (4.43p) and the company has rejoined the interim dividend list with a payment of 1p net. There was a final distribution of 2p last year, however, when pre-tax profits of £102,000 (£21,000) were achieved.

During last year the company incorporated Brookdale Furniture, a new subsidiary, to market the range of furniture originally launched by Beautility.

Mr Steinberg says the board feels this well further improve the prospects of this collection at the upper end of the market.

He also reports that the company recently purchased the freehold of a well-appointed building near Stonehill's factories to function as group headquarters and to house showrooms.

At the same time, an untenanted property in the north east of England was sold to the local council. This represents the extraordinary loss in the interim results.

● **comment**

Stonehill's climb out of recession has until now been long and slow. Retailers are still screwing down suppliers' margins something rotten, but the pace of business has quickened in the current half. Orders are 46 per cent ahead of the comparable period—implying a hefty gain in market share—and the directors expect turnover to increase 25 per cent in 1984-85 as the recent pick-up in housing starts feeds through to furniture makers. The first test Stonehill faces is how quickly it can gear up production to turn those orders into deliveries. The second is how it will react to the upheaval now threatening an industry which has already seen 25 per cent of its capacity squeezed out of existence in the past three years. Many of Stonehill's smaller competitors have had so much stuffing knocked out of their balance-sheets by the recession that the strains of financing an upturn in volume could prove intolerable. The group's own balance-sheet is strong, but if there is a second rash of closures its production managers will have to be doubly quick on their feet to cope with the business the casualties leave behind. The shares, meanwhile were unchanged at 79p, where they yield 5.5 per cent.

Plastic Constructions well ahead

Taxable profits of Plastic Constructions, supplier of anti-pollution and corrosion-resistant equipment, advanced to £248,615 for the year to September 9 1983, compared with £91,278. Turnover was up at £10.74m, against £9.29m.

At the interim stage, directors had expressed reservations about the trend to higher sales continuing because of the inconsistent pattern of the industrial recovery. However, turnover in the second half rose to £5.55m, against £4.65m, and pre-tax profits were up at £161,000 (£22,000).

On this evidence, they believe the company is emerging from the depression of the last two years. They add that sales for the first quarter of the current year indicate a significant increase in turnover and profit for the 12 months, if the better business climate prevails.

The final dividend is raised to 1.544p net, compared with 1.334p, giving a total payment of 2.38p (2.17p). Earnings per 10p share were 4.92p (3.43p).

Tax took £15,951 (credit £70,696). Last year there was £48,487 profit on sale of investment in a related company.

The profit attributable to shareholders was £232,664 (£210,461) and dividends absorbed £79,709 (£71,714) after waivers of £32,775 (£30,845).

During the year, the company's fabrication division won contracts to modernise extraction systems in school and university laboratories. Also, fume neutralising plants were designed and produced for the Ministry

Pilkington receives U.S. ruling on purchase

By Charles Batchelor

Pilkington Brothers has been ordered to dispose of its remaining Canadian interests and freeze the level of its involvement in Mexico. The U.S. Federal Trade Commission yesterday announced these conditions if it is to approve Pilkington's acquisition of a 30 per cent stake in Libbey-Owens-Ford Company (LOF), the second largest U.S. glassmaker.

Pilkington said it accepted the FTC's conditions although it disagreed with its argument that the U.S., Canada and Mexico represented a single float glass market.

The UK company, the world's largest glassmaker, reached agreement in October 1982 to buy the LOF shares for $108.2m from Gulf and Western Industries. The FTC has spent the past 15 months reviewing the purchase under the U.S. Anti-trust Laws.

Pilkington's shares fell 3p to 250p on the Stock Exchange yesterday.

LOF contributed £4.6m to Pilkington in the six months ended October 1983.

Pilkington has been ordered to dispose of the remaining 49 per cent it holds in Ford Glass of Canada within five years.

Ford Glass made a pre-tax profit of £1.5m in 1982 on turnover of £80m. It contributed £700,000 to Pilkington's profits in the year ended March 1983. Total net asset value of Ford Glass was £25m.

Pilkington must also remove its three representatives from the boards of Ford Glass and Vitro Plan SA, a privately-owned Mexican glass company in which it has a 35 per cent holding. It may not increase its stake in Vitro.

Pilkington has also been ordered to have no discussions with these companies on competition matters. It may discuss technical matters, however. Both companies are licensees of its products.

The FTC has placed no ban on Pilkington buying further LOF shares though the UK group has not revealed its intentions. The FTC will finalise its decision 60 days after Pilkington publishes its agreement to these proposals.

Aero Needles recommends £3.7m Coats Patons offer

BY RAY MAUGHAN

SHARES in Aero Needles yesterday justified the considerable premium commanded throughout much of the period of the unwelcome offer from Newell Furnishings as Coats Patons, the Scottish thread manufacturer, stepped in with an agreed bid worth £3.7m.

Newell had put 60p per share on the table but Aero's share price responded to Coats' 86.5p bid (cum the recommended final dividend of 1.5p) with a 10p rise to 88p.

Ordinary shareholders in Aero will be entitled to retain the group's interim dividend of 1p net per share in respect of 1983 which will be paid as soon as practicable after the offers from Newell lapse.

Coats is offering a loan note alternative carrying interest linked to LIBOR as fixed periodically for six-month sterling deposits and payable on February 28 and August 31 each year.

Proposals will be made in due course to holders of Aero's 3.5 per cent and 5.25 per cent cumulative preference shares but the convertible preference will be taken out at 170p per share in cash or, alternatively, in 170p nominal of variable rate unsecured loan notes. The Aero board will permit any conversion of this stock only when the Coats offer has gone unconditional, or on June 30, whichever is the earlier.

Aero has recovered quickly from its difficulties in recent years and the group, headed by Mr Frank Cole, has estimated that pre-tax profits last year climbed by 214 per cent to £588,000. With the benefit of significant tax losses carried forward, but after the cost of all preference dividends, earnings are expected to reach 10.4p per share. Coats, therefore, is taking Aero shareholders out on a single figure exit multiple.

Robert Fleming seeking changes in Miller board

BY RAY MAUGHAN

Robert Fleming was confirmed yesterday as adviser to the team of four managers seeking to join the board of F. Miller (Textiles), the Marks and Spencer supplier, and executives from the merchant bank promptly flew up to Glasgow to meet their new clients.

The team comprises Mr John Matthews, a director of a UK subsidiary of General Electric of the U.S., Mr Robert Charters and Mr Roger Fielding who are said to have extensive textile industry experience with private companies and, crucially, good links with Marks and Spencer, while Mr Steve Gregory would become Miller's finance director.

This new management initiative is being put forward as an alternative to the bid for Miller from Nottingham Manufacturing, another major M&S supplier which has been accepted by Millers' board but so far resisted by most of the group's institutional shareholders on the grounds that it is inadequate.

The bid, all equity, only, is worth about 38.3p which compares with Nottingham's calculation of Miller's assets of 19.4p per share. Greig Middleton, Miller's former broker, has estimated the group's assets at 43p per share, excluding any repayment of regional development grants and taking the surplus attributable from the £1.8m pre-tax profits forecast for 1983-84.

The Scottish Development Agency declared yesterday that it was supporting this team "in the aim to rejuvenate the business of this Glasgow-based company which has its factory located in an area of high unemployment."

Although Prudential Assurance has accepted the offer from Nottingham in respect of its 10.4 per cent Miller stake, it appears that the other institutional shareholders are still behind the new team.

The management hope to meet Mr Freddie Miller early next week shortly before the Nottingham offer closes. The course of that meeting will decide whether the new team will be co-opted immediately onto the Miller board or whether an extraordinary meeting will be convened to sanction such resolutions.

It has not yet been decided what, if any, alternative offers will be made to shareholders who would otherwise accept Nottingham's equity although Mr Miller said yesterday that "I will be looking for a bid, naturally." He felt that the emergence of a white knight bid from a third party was still very much a possibility but he criticised the four managers for "hiding behind a smokescreen."

Hanson attacks London Brick revaluation

By Ray Maughan

Hanson Trust has stifled any expectations of an early revision of its £212m offer for London Brick by confirming itself to an attack on the assets revaluation unveiled by the brick manufacturer on Thursday.

The revaluation — focused principally on London Brick's reserves of fletton clay—showed that the group is worth £300m or 215p per share.

It was calculated on the basis of the present net income of the clay, discounted at 10 per cent, at current rates of extraction for the next 20 years.

But, as Hanson pointed out, the revaluation has been carried out in such a way that London Brick admits that such values cannot be connected with its balance sheet or its recent profits forecast.

Hanson Trust asked yesterday "if the valuations are in the interests of London Brick's shareholders why are they not included in the balance sheet? Is the answer because its auditors would not contemplate their inclusion?"

He felt that London Brick would have to deplete at an annual cost of £9m if the valuation went into the balance sheet and the return on capital employed would be cut to about 10 per cent.

The response from Lazard Bros, advising London Brick, was that the depletion charge would be nil given that Landfill, London Brick's reclamation subsidiary, would cover the charge from the profits it makes by selling fully worked-out and reclaimed land.

London Brick's shares were unchanged at 155p yesterday against the 150p per share nominal value of Hanson's convertible loan stock offer. The bid cannot be revised after February 14.

Sidlaw agreement

Mr Robert C. Smith, chairman of Sidlaw Group, told the annual general meeting that agreement, in principle, had been reached to acquire the capital of Gate Investments, the holding company of Gate Microsystems, a young company involved in the microcomputer service business in Scotland.

The strengths of Gate and Sidlaw's Unicorn Microcomputer Systems are complamentary, and resources would be pooled under the Gate name as soon as formalities of the acquisition are completed. The consideration will not exceed £312,000, payable in cash.

Ford relaxes dealership rules

BY TERRY GARRETT

TWO QUOTED Ford main dealers are at an advanced stage of negotiating a takeover which will certainly break Ford Motor's usual criteria that no more than five main dealerships can be under one ownership.

T. Cowie, which has five dealerships, and Hanger Investments which has four, declared last night that discussions were "expected to lead to an offer by Cowie for Hanger."

The get-together is understood to have been encouraged by Ford Motor. Assuming a purchase by Cowie, the group would have to divest itself of four of the outlets, though advisers to the bidder could not say yesterday how long the group would be given by Ford.

There may also be some difficulties over Vauxhall dealerships which are held by both groups. Ford Motor only lets its main dealers hold rival outlets when they are not local to the Ford ones.

Earlier this week, Hanger suspended its share quote at 32p. At that price, the Birmingham-based company is capitalised at £3.1m. Since its profits reached £2.7m in calendar 1979, the performance has been poor with two years of losses broken by profits of just £155,000 in 1981.

The share price of Sunderland-based Cowie rose 1½p to 37p yesterday giving it a market worth of £4.4m. Cowie has also been hit by the problems of the motor trade and earlier losses from its George Ewer acquisition but overall group profits have not been as seriously dented at Hanger's.

G. M. Firth to bid for Chadburn

BY DAVID DODWELL

G. M. Firth, the steel stockholder and property developer headed by Mr Ian Wasserman, is close to completing a deal which will give it control of Porter Chadburn, the Bootle-based brewery and marine engineering equipment group.

Firth already holds a 29.9 per cent stake in Chadburn, and Mr Wasserman said yesterday that his company plans to subscribe for new ordinary shares in the company and then make a general offer for the outstanding share capital at a price of around 83p per share.

He was unwilling to reveal how many new shares he would subscribe for, but if one assumes Firth intends to ensure majority control, then this must be in the region of 1.5m shares. This would expand Chadburn's issued share capital base to about 4.2m shares, giving a market capitalisation at 83p a share of just under £3.5m.

News of the deal, which is expected to be complete next week, boosted Chadburn's shares by 21p to 95p, while Firth shares remained unchanged at 21p.

Chadburn has sustained losses for the past two financial years. In the six months to July 8, 1983 pre-tax losses ran to £178,000, an improvement from losses in the previous comparable period of £231,000. Turnover in the same period was £660,000 down at £6.31m.

Wiggins forced into red by exceptional losses

EXCEPTIONAL losses this time of £650,000 plunged Wiggins Group, contractor, into the red in the six months to September 30 1983. Pre-tax losses of £433,000 were incurred against profits of £330,000, and year-end profits of £711,000.

Mr S. P. Hayklan, the chairman and chief executive, says that since the accounts for the year to March 31 1983, it has become necessary to make two exceptional provisions.

These are in connection with the long-delayed anticipated settlement of a completed building contract carried out several years ago, and in respect of a completed development for a housing association. He says no further cash will be required to be expended in respect of these items.

The board is continuing to pursue the group's claims in these matters, but considers it proper to provide, £650,000 for losses.

Mr Hayklan says that despite an encouraging start, this is proving a difficult year for some of the group's divisions. But despite fierce price competition in the contracting industry, it is maintaining turnover, although at somewhat reduced margins. Turnover in the opening half rose from £20.3m to £28.89m, and there was an operating profit of £217,000 compared with £330,000.

Group tax for the first six months was slightly higher at £43,000 (£40,000). There was a loss per 10p share of 5.5p against earnings of 3.7p. The interim dividend is unchanged at 1.25p—last year a total of 3.4p net was paid.

Currency changes boost profits at Hamersley

BY GEORGE MILLING-STANLEY

THE Rio Tinto-Zinc group's big Australian iron ore producer Hamersley Holdings achieved a second consecutive sharp increase in profits in 1983, and has raised the dividend for the year to 12 cents (8p) from 1982's 8 cents.

Hamersley's net profits rose to A$89.2m (£59.5m) from A$54.7m, on sales of A$663.2m against A$578.9m.

The company said yesterday that around A$33m of the A$34.5m increase was due to the lower average value of the Australian dollar during the year, with the depreciation against the U.S. dollar averaging 11 per cent.

Much of this was a consequence of the formal devaluation of the Australian dollar early in the year. Since March, however, the currency has appreciated steadily, with the result that the benefit diminished as the year progressed.

With no further advantage to be expected from this source, Hamersley warned that the current year is likely to see a "very significant fall" in profits. There seems little chance at present of a marked upturn in world demand for steel and thus iron ore, and in fact ore prices have already suffered a significant reduction in the market this year.

Although last year's shipments rose 15 per cent to 32.5m tonnes, narrowly exceeding production of 29.9m tonnes, Hamersley said the industry remained "keenly competitive."

COMPANY NEWS IN BRIEF

An increase of 24.2 per cent in net asset value per 50p share from 209.2p to 259.9p was achieved by Scottish American Investment Co in the year to December 31 1983.

The final dividend is lifted from 3.22p to 3.35p and raises the total to 4.85p, compared with 4.62p.

Net income for the year was £2.5m, against £2.6m.

* * *

Acceptances totalling 3,855,418 (89.75 per cent) have been received in respect of the 4,295,732 shares offered by Edward Jones Group by way of a rights issue.

The balance of 440,314 new ordinary has been placed in the market at a price of 35p per share. This represents a premium of 2.78p per share, net of expenses and of the amount due on acceptance, which will be distributed to qualifying shareholders.

* * *

Ellis and Everard, the chemicals distribution group, has received approximately 94.1 per cent acceptance for its £4.4m two-for-seven rights issue at 160p per share.

The remaining shares have been sold in the market. The net proceeds of the sale which amounts to approximately 39½p per share, after deduction of the issue price, will be remitted in due course to the provisional allottees entitled.

* * *

Metal Closures, the 77 per cent-owned South African subsidiary of Metal Closures Group of the UK, saw turnover for 1983 increase from R42.8m to R46.1m (£26m), while pre-tax profit rose from R6.34m to R7.93m.

* * *

The Australian branch of Lloyds International, the merchant banking subsidiary of Lloyds Bank, recorded an operating profit of A$15.2m (£9.81m) and a net profit of A$10.2m in the 15 months to December 31 1983.

In its previous accounting period Lloyds International produced a pre-tax profit of A$5.8m in the 12 months to September 1982, and a net profit of A$4.5m. During the latest 15 months the bank's share capital and reserves grew to A$29.8m while total assets rose from A$477.5m to A$628.4m.

* * *

Net profits of Bank Leumi (UK), after tax and transfer to inner reserves, increased to £714,000 for the 12 months to December 31 1983, compared with £638,000. The directors report another year of significant growth.

They say results were improved by the opening of a Leeds office and by higher activity in high street branches at Golders Green, Gants Hill and Edgware. The bank is a subsidiary of Bank Leumi le-Israel, Israel's largest banking group, which is in turn a subsidiary of Otzar Hityashvuth Hayehudim.

The final dividend is unchanged at 7p net per £1 share, making a same-again total payment of 10.15p. At the annual meeting, shareholders will be asked to approve a proposal offering cash or fully paid ordinary shares in respect of the final dividend.

The final dividend again absorbed £315,000 and retained profit was up at £257,000 (£229,000). Assets totalled £323.16m (£258.06m).

* * *

A one-for-one scrip issue has been proposed by Tribune Investment Trust in its report for the year 1983. The trust intends to increase the final dividend by 0.25p to 2.75p, to make 3.75p for the year against 3.4p. Net asset value per share stands at 231.2p, compared with 170.8p.

During the period under review, gross revenue increased from £1.9m to £2.47m and management expenses increased from £147,000 to £170,000. The interest charge rose £252,000 to £283,000. On a pre-tax revenue of £2.02m (£1.72m), there was a tax charge of £808,000 (£710,000).

* * *

Pre-tax revenue at Anglo-American Securities improved from £5.16m to £5.48m in the year to January 15 1984, and the final dividend is increased from 3.6p to 3.85p for a total up from 5.1p to 5.35p net.

Gross revenue was higher at £6.04m compared with £5.78m, and the pre-tax figure was after directors' and management expenses of £360,000 (£413,000) and interest charges unchanged at £202,000. Tax for the year was £2.21m against £1.99m.

Earnings per 25p share rose from 5.42p to 5.59p and net asset value per share was 322.41p compared with 239.89p.

Results due next week

The results of newspaper proprietors like Fleet Holdings are never easy to predict, since the national newspapers tend to produce low but volatile returns on a very large sales base. But advertising revenue has been showing signs of recovery after a lengthy period of depression, and despite a certain amount of rate-cutting on the part of the media, underlying volume growth should produce a good profit recovery. Magazine group Morgan Grampian—a larger contributor to Fleet's profits than the Express Group—should have continued its steady growth record. Meanwhile, the group as a whole has been subject to undramatic but significant cost-cutting throughout the year. For the interim results to end-December, due on Tuesday, analysts are expecting pre-tax profits of £5-£6m, against £2.5m last year.

Nottingham Manufacturing is presently embroiled in a takeover wrangle with fellow-supplier of textiles to Marks and Spencer, F. Miller. Since its bid is based on a straight share swap, there will be an added degree of interest in Nottingham's full-year figures to end-December, due on Monday. Nottingham has acquired the image of a steady growth company with a heavily positive cash flow, and this looks to have continued in the past year. Both its Marks and Spencer business and carpet sales should have shown reasonable volume growth, though there will have been little room for price increases in a competitive market. The cash pile should have grown by enough to offset the fall in interest rates, and leasing income should still be on the increase. The market is looking for pre-tax profits of £24m, against last year's £21.3m.

The reduction in the holdings of the Australia and New Zealand businesses and the acquisition of RHM's agricultural division will distort comparisons when first-half results of food group Dalgety are announced on Monday. In general though, the company is expected to come through strongly against last year's relatively depressed period, with the changed group structure putting less of an emphasis on the second half. The recovery will show up in the majority of activities helped by favourable currency movements on North American earnings. In particular an upturn in the lumber business will boost income from Canada while elsewhere abroad, Australia seems to have recovered from the drought. At home, animal feeds should be holding up well to competitive pressures, as should petfoods, but milling and malting will show signs of strain. Overall, a healthy £28.5m could be on the cards for the first half (£18.1m) with the firm possibility that the dividend will now start to rise having spent three years on a steady 22p net payout level.

When its preliminary results are announced on Wednesday, Birmid Qualcast is expected to show that its recovery continues apace. The nature of its products makes it more responsive to the upturn in consumer spending than most other engineering companies. In particular the foundries division will have consolidated its first-half improvement, thanks to the sharp increase in new car registrations last August and September, while good replacement demand for its Potterton central heating boilers will have boosted the traditionally less-important second half of the year for the heating division. The second half is also usually seasonally slack for the lawn mower and irrigation businesses, but the extended fine weather last year will no doubt have topped up the coffers. The company could turn in around £6m profit, this time (£1.4m loss) and there will be more scope to improve on last year's 1p net dividend.

Securicor Group and its 50.7 per cent owned subsidiary Security Services are expected to announce that profits growth has tailed off slightly since the previous year, when they bring out their results for the 12 months to end-September on Wednesday. The traditional cash carrying and delivery services should have continued the strong increases they showed at the interim stage, fuelled by a growing awareness of the importance of security among the business community. But the group is likely to charge the as yet unquantified costs of redeveloping Air Courier, bought 18 months ago, above the line. On that basis, the City is looking for a repeat of the first half's 12.5 per cent profits improvement to around £12.8m pre-tax for the group and £10.7m for Security Services. The consensus is for a 10 per cent rise in both companies' dividends, which would life the totals to 1.43p and 2.7p net respectively.

Other results due next week include Bio-Isolates, which will publish its full-year figures on Tuesday, and Datastream which will report on its first six months on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
FINAL DIVIDENDS				
Alexanders Holdings	Thursday	—	—	—
Bio-Isolates (Holdings)	Tuesday	—	—	—
Birmid Qualcast	Tuesday	0.1	0.9	0.33
Canadian Pacific Enterprises	Monday†	0.20	0.20	0.20
Copenhagen Handelsbank As	Wednesday	—	—	—
Crest Nicholson	Wednesday	1.25	1.9	1.25
General Cons. Investment Trust	Wednesday	2.4	4.6	2.4
General Funds Investment Trust	Tuesday	2.5	5.75	2.75
Glasgow Stockholders Trust	Friday	1.0	1.5	1.05
Habit Precision Engineering	Friday	—	0.25	—
Hadland Holdings	Monday	—	—	—
London and Lomond Investment Trust	Wednesday	0.85	1.25	0.85
Manchester Ship Canal Co.	Tuesday	—	—	—
Nottingham Manufacturing	Monday	1.2	3.9	1.3
Dashid Group Holdings	Friday	—	—	—
Reed Executive	Wednesday	0.1	—	0.1
River and Mercantile Trust	Thursday	1.325	2.8	1.4
River Plate and General Inv. Trust	Thursday	1.4	4.5	1.4
Securicor Group	Wednesday	0.4	0.9	0.4
Security Services	Wednesday	0.62	1.65	0.9
Trust of Property Shares	Thursday	—	—	—

Company	Announcement due	Dividend (p)* Last year Int.	Final	This year Int.
INTERIM DIVIDENDS				
Anal Industries	Tuesday	—	—	
Dalgety	Monday	11.0	11.0	
Datastream	Thursday	—	1.8	
Douglas, Robert M. Holdings	Wednesday	0.375	1.375	
Elbiol	Thursday	0.385	1.0	
Firth, G. M. (Holdings)	Tuesday	0.13636	0.16363	
Fleet Holdings	Tuesday	0.75	1.5	
Hampson Industries	Tuesday	0.25	0.5	
Manganese Bronze Holdings	Monday	—	2.17	
MS International	Thursday	—	0.1	
Murray Caledonian Investment Trust	Monday	1.33333	2.35	
Murray Western Investment Trust	Monday	0.4	1.4	
Peerless	Tuesday	2.1	4.2	
Press Tools	Monday	0.8	1.2	
Reliance Industrial Holdings	Wednesday	0.85	0.8	
Smith, W. H. and Son (Holdings)	Wednesday	0.875	2.125	
TR City of London Trust	Wednesday	0.575	0.575	
Young, H. Holdings	Wednesday	—	—	—

*Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † In cents per share.

هكذا صدر الأصل

SUMMARY OF THE WEEK'S ...

Take-over bids and deals

Cable and Wireless launched a £296m cash bid for the 61.6 per cent of Hong Kong Telephone and fairly quickly announced that it had won control, having received acceptances equivalent to 52.4 per cent of the equity. C & W bought 34.8 per cent of Hong Kong Telephone from Hong Kong Land last March. C & W already provides Hong Kong with its telex and international telephone links and the acquisition, according to the group, will result in more rational use of the two companies' communications facilities in the colony.

Mr Robert Maxwell, chairman of British Printing and Communication Corporation, revealed that he is negotiating to buy Manchester United Football Club. No price has been indicated but, Mr Maxwell, in a joint statement with club chairman and chief executive Martin Edwards, said "it is intended that the negotiations be conducted speedily to reduce the period of uncertainty to a minimum."

An auction is under way for Glasgow-based video and consumer electronics distributor Michael Black, which is traded in the Unlisted Securities Market. Black, already the subject of a share-exchange bid worth £1.98m from Highgate and Job, received a shares and cash counter-bid worth £2.38m from Emess Lighting. Highgate responded immediately with a revised higher offer of two of its own shares for every five Black, valuing the latter at £3.12m.

Bristol Oil and Minerals, formerly KCA International, made an agreed 115p per share cash offer worth £1.5m for Osprey Petroleum, the small exploration company with interests in the North Sea and the U.S.

Electronics concern Audiotronic revealed an agreed £2.23m share-exchange offer for Scan Data, the USM-quoted computing group, on the basis of nine of its own shares for every two Scan Data shares which values the latter at around 99p per share.

Taddale Investments, through a newly-formed company, Taddale Hotels Europe, launched a 130p per share cash offer worth £7.85m for Prince of Wales Hotels, but the offer was rejected by the POW board as unacceptable and totally inadequate. The bid is conditional on POW shareholders rejecting a recently-announced rights issue proposal.

Fisons has purchased Curtin Matheson Scientific, a clinical laboratory products manufacturer, from the private U.S. company Coulter Electronics for nearly £60m. The deal, Fisons' first major U.S. acquisition, was largely funded by the issue of 4.91m Fisons shares to Coulter; the latter immediately placed the shares in the London market at a price believed to be around 725p per share.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
Prices in pence unless otherwise indicated.					
Aero Needles	60*	88	43	2.56	Newell Frnshngs
Aero Needles	86¼*	88	78	3.70	Coats (J & P)
Assoc Leisure	156§§	150	150	43.23	Pleasurama
Ault & Wiborg	46*	44	33††	4.70	Sun Chemical
Bassett Foods	142	155	99	17.15	Avana
Black (Michael)	76	67	47	2.84	Highgate & Job
Black (Michael)	58§§	67	55	2.17	Emess Lighting
Danish Bacon 'A'	115V	105	110	1.98	Ess-Food
Downs Surgical	49*§	46½	38½††	6.32	Smiths Inds
Edith	57*	58	47	55.95	Invs in Industry
Hales Props	202	195	140	3.80	Belgrve (Blckhth)
Ingram (H.)	65*§	405	80	1.02	Wasskon
Int Paint	227§	218	162	20.41	Courtaulds
London Brick	150‡‡	155	104	212.00	Hanson Trust
Maynards	250*§	248	198	6.34	Lewis E. Cartier
Miller (F.)	37½	39	42	5.40	Nottingham Mnfg
Pr. of Wales Htls	130*	138	117	7.08	Taddale Invs.
Rosedimond Inc	53	55	60	3.17	English Assocn
Rosedimond Cap	222	215	185	5.91	English Assocn
Scan Data	101	95	100	2.27	Audiotronics
SIG Davall	48	45	35	3.72	Vinten
Stenhouse¶	140§§	131	106	53.14	Reed Stenhse 'A'
Stylo	325*	270	311	32.38	Harris Queensway

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 10/2/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Blair, George	Oct	190	(59)L	—	(—)
BOC	Dec†	31,300	(16,600)	—	(—)
Dale Elect. Intl.	Oct	1,310	(1,020)	1.5	(1.2)
Dura Mill	Sept	—	(2)	—	(—)
Dyson, J. A.	Sept	82	(130)L	2.0	(2.0)
English Assocn	Dec	846	(909)	1.0	(0.91)
Ewart New Nthn.	Oct	23	(22)	1.0	(1.0)
Heelamat	Oct	136	(75)	2.0	(2.0)
Heiton Holdings	Oct‡	282L	(1,090)L	—	(—)
Howard Shuttrng	Oct	562	(203)	1.0	(0.55)
Imm Bus Systems	Sept	1,230L	(790)L	—	(—)
Isis Ind Services	Sept	1,000	(236)	—	(—)
Jayplant	Nov	54	(16)	—	(—)
Meat Trade Supp	Sept	71	(75)	1.75	(1.75)
ML Holdings	Sept	365	(309)	2.0	(2.0)
Ransom, William	Sept	143	(65)	1.5	(1.5)
Stocklake Hldgs	Sept	1,470	(1,930)	3.0	(3.0)
Unitech	Dec	5,330	(2,130)	1.68	(1.54)
Waring & Gillows	Sept	133	(777)L	0.75	(0.75)
Whitworth Elec	Sept	38	(130)	—	(—)

(Figures in parentheses are for the corresponding period.)

* Dividends are shown net pence per share except where otherwise stated. † First quarter figures. ‡ In I£. § Figures for previous seven months. L Loss.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Aaronson Bros	Sept	2,010	(950)	5.4	(1.7)	2.1	(1.2)
Dew, George	Oct	822	(1,630)	7.5	(28.0)	5.7	(5.7)
Farmer Stedall	Oct	238	(—)	—	(—)	—	(—)
First Leisure	Oct	4,490	(—)	23.6	(—)	3.5	(—)
Ford, Martin	Dec	323	(190)	1.61	(0.97)	1.05	(0.75)
Goode, Durrant	Oct	2,620	(2,770)	—	(—)	1.25	(1.0)
Imperial Group	Oct	195,300	(154,300)	27.0	(21.4)	7.8	(7.25)
Leisuretime Int'l	Oct	588	(141)§	6.5	(3.4)	1.8	(0.9)
Lonrho	Sept	113,200	(75,100)	15.5	(7.6)	9.0	(9.0)
Scot. Agric. Ind.	Dec	6,020	(4,730)	—	(—)	18.5	(16.5)
Vantona Viyella	Nov	12,050	(4,290)	25.7	(14.6)	8.0	(8.0)
Westminster Prop	Sept	28	(147)	—	(—)	—	(0.63)

Rights Issue

Newmarket (1981)—To raise $22.6m through a one for three rights issue. A one for one scrip issue is also proposed.

Offers for sale, placings and introductions

Amer Group—Private placing of up to 20 per cent of its equity followed by a listing on the London stock exchange.

Mid Southern Water Company—Offer for sale by tender of 6.25 per cent redemption stock 1991 at minimum tender price of £101 per cent.

Radio Clyde—Placing 5 per cent of its non-voting shares on USM.

Sangers Photographic—To join USM by way of a placing of 2.4m shares at 23p each.

APPOINTMENTS

Changes at Continental Illinois

Mr David G. Taylor, vice-chairman and chief financial officer of CONTINENTAL ILLINOIS CORPORATION has been elected chairman of Continental Illinois Ltd (CIL), the corporation's London-based merchant banking subsidiary. Lord Wakehurst, chairman of CIL since 1973, moves to the newly created position of deputy chairman and will continue as a member of the executive committee. Also appointed to the board are: Mr Edward S. Bottum, director of Continental Illinois Corp; Mr N. Gregory Duescher, managing director of CIL; Mr Michael O. Rigg, senior vice-president and manager of the securities trading and public finance group in the U.S., who will also become a managing director of CIL; Mr Robert D. McKeown, senior vice-president, and manager of the corporate treasury group in the U.S.; Mr Kent L. Pietsch, executive vice-president of Continental Illinois International Investment Corporation, Continental's investment management subsidiary based in London; and Mr W. Stephen E. Stonefield, who will manage the activities of the merchant bank in Tokyo when it opens that office this year.

Mr G. S. Stone has joined the board of SMITH BROS. as a non-executive director from February 10. He is also a director of Investors in Industry Group.

THE LIFE ASSOCIATION OF SCOTLAND has appointed Mr Alan Hardie, as assistant general manager, responsible for the long term development.

Mr David Armstrong, formerly general manager operations with SILVERTOWN BATTERIES and in charge of the Skelmersdale battery factory has now been appointed to the board.

Mr Bernard Coote has been appointed vice president general manager of FILMAKER COMPLETION (UK). He is a director of Eon Productions.

Mr Paul Myners, a director of N M Rothschild and Sons, has joined the board of LEONARD GROUSE ASSOCIATES, following the resignation of Mr John Redwood on his appointment as head of the Prime Minister's Policy Unit.

Mr Nils-Yngve Danielsson is to resign as managing director of ATLANTICA INSURANCE CO., Gothenburg, on May 17. His successor as managing director will be Mr Goeran Thorstensson, currently overseas manager of the Excess Insurance Co., London. Mr Danielsson will become managing director of Atlantica's subsidiary, Atlantica Continental N.V. Amsterdam, which is to launch a branch office in London this year. From the new London base, Mr Danielsson will spearhead for Atlantica certain marine insurance developments.

The international advisory board of CARRE, ORBEN AND PARTNERS, management consultants, has been strengthened by the appointment of Sir Patrick Meaney, a deputy chairman of Midland Bank and chairman of the Rank Organisation.

Mr John Lowe has been promoted to sales director of COMPUTER PERIPHERALS (SYSTEMS). Mr Chris Delve, former sales and marketing director becomes group operations director of computer peripherals, the holding company. Mr Lowe was national sales manager.

Mr R. E. Brown has been appointed joint underwriter with Mr B. G. White for Syndicate 702—J. F. C. Dugdale and others.

BERRY BIRCH AND HAWKSFORD has appointed three new managing directors. Mr Alan G. Mackay as managing director of the life, pensions and financial planning company, Berry Birch and Hawksford; Mr Colin R. Frith as managing director of the general insurance company, Berry Birch and Hawksford (Insurance Brokers); and Mr Keo A. Moorhouse as managing director of the group's electronics company E and L Instruments. Mr David J. Birch moves to group managing director, Mr Derek L. Berry to group executive chairman and Mr Ron Springall to chairman of the group's holding company, The Berry Birch and Hawksford Group. Mr John Cole has been appointed director of Berry Birch and Hawksford.

Mr Michael Chalaway and Mr Michael Liddiard have been appointed deputy chairman and vice-chairman respectively of C. CZARNIKOW. Mr Chalaway was formerly vice chairman.

Two senior executives of GREYCOAT CITY OFFICES have been appointed directors. Mr Richard C. P. Guignard joined Greycoat in 1982 and was formerly financial controller. Mr John M. Weir is currently resident in New York, heading the Group's U.S. office.

Mr James Anthony Haden has been appointed to the board of RUBEROID CONTRACTS. He has been promoted from technical manager.

Viscount Garmoyle and Mr Oscar Lewisohn have been appointed to the board of AKROYD AND SMITHERS, jobbers, as non-executive directors.

DEVITT GROUP has made the following appointments: Mr C. W. Yeldham becomes a director of Devitt (Energy) and Mr D. J. Forcey a director of Howson F. Devitt and Sons.

Milbury chief executive

Dr Paul B. Mihalop has been appointed chief executive of MILBURY, and Mr Bill F. Smith has become joint managing director of WESTMINSTER PROPERTY GROUP, a quoted subsidiary of Milbury, part of the Saint Piran group. Dr Mihalop was managing director of South Crofty, Saint Piran's former tin mining subsidiary. Mr Smith was at European Ferries responsible for the development property portfolio.

FBC, Cambridge, a subsidiary of Schering AG, has appointed as directors: Mr Brian Arrandale — finance, Mr Neil Barlow — personnel and administration, and Mr Tony Pike—UK sales. Mr C. Nowak, of the agrochemical division of Schering AG, also joins the FBC board.

Mr John Eccles has been re-appointed a deputy chairman of the MONOPOLIES AND MERGERS COMMISSION for three years from February 5. Mr Maurice Lipworth has been re-appointed as an ordinary member from February 1 1984 to January 31 1987. Mr Eccles is a director of Glynwed International, and Investors in Industry Group, and chairman of Chamberlain and Hill. Mr Lipworth is joint managing director of Hambro Life Assurance, and managing director of Allied Unit Trust.

Mr Christopher Ruck, previously a senior executive with Williams & Glyns Bank, who joined the CO-OPERATIVE BANK GROUP as deputy chief general manager, banking, on February 6, and Mr Terry Thomas, general manager (customer services), have been appointed to the boards of the Co-operative Bank and Co-operative Bank (Commercial). Mr Ruck and Mr David Maxey, deputy chief general manager, finance and administration, Co-operative Bank, have been appointed to the board of First Co-operative Finance, finance house subsidiary of the Co-operative Bank.

Mr Christopher Ruck joins Co-operative Bank board

Mr Peter Woodrow has been appointed London director of Cleveland-based YUILL GROUP. He retired recently as director general and general manager of Wimpey Homes Holdings. Mr Gordon Fraser has been appointed Scotland director of the Yuill Group. He has been general manager in Scotland for the past two years.

Mr Ernest Anerbach, a senior vice-president of CIGNA International Corporation, will be appointed managing director of CRUSADER INSURANCE upon DoT approval. He will also head all of CIGNA's existing international life and group operations which are to be based at Crusader's head office at Reigate.

Mr Terry Hubble, formerly head of treasury at MAIBL/Standard Chartered Merchant Bank and Mr John Shield, formerly with Kleinwort Benson and Scandinavian Bank have been appointed to the board of SVENSKA INTERNATIONAL, London subsidiary of Svenska Handelsbanken, Stockholm. Mr Hubble will head the treasury department; Mr Shield will head the commercial banking services department and succeed Mr Jan Henrik Gledh, director, who will join the recently established team of marketing directors.

Board posts at Galbraith Montagu

The new GALBRAITH MONTAGU GROUP has made the following appointments at three subsidiaries. At Galbraith Montagu Holdings (a holding board controlling all existing Galbraith Wrightson Shipping activities as well as shipping financial service activities) Mr G. B. Parham, chairman; Mr D. J. Hughes, deputy chairman; Mr E. M. Freeman, Mr T. J. Heggeli, Mr P. D. Moorhead, Mr M. Phythian-Adams (non-executive), Mr P. N. Prebensen and Mr M. F. G. Savage.

At Galbraith Montagu (shipping finance activities) Mr G. B. Parham, chairman; Mr E. M. Freeman, managing director; Mr T. J. Heggeli, managing director; Mr P. N. Prebensen, managing director; Mr M. F. G. Savage, managing director; Mr P. D. Moorhead, financial director; Mr A. G. Burgess, Mr D. E. Demeza, Mr T. Nishikawa and Mr R. A. F. Stow, directors.

At Galbraith's (shipbroking) Mr E. M. Freeman, chairman; Mr N. C. Bell, Mr R. Berrett, Mr A. G. Burgess, Mr D. E. Demeza, Mr C. A. Fowle, Mr C. J. Gysin, Mr J. A. Hall, Mr M. J. Hickling, Mr B. R. Low, Mr J. B. McDougall, Mr T. Nishikawa, Mr R. J. S. Oppen, Mr R. D. Perry, Mr M. J. L. Rippingale, Mr R. J. Sea), Mr A. J. Slater, Mr R. K. Spencer and Mr R. A. F. Stow. Mr T. H. Bees will be company secretary of all three companies.

Mr Neil Wood is the new president of the BRITISH LEATHER FEDERATION. He takes over from Mr Fergus Watson.

ITN has made three promotions. Mr Derek Murray and Mr Stewart Purvis become deputy editors, and Mr Norman Rees is named chief assistant editor. Mr Murray will be in charge of ITN activities on ITV while Mr Purvis will take on a similar role as editor of Channel 4 News. Mr Rees succeeds Mr Murray as chief assistant editor, and will be responsible for all home and foreign coverage for ITN.

Continued from Page 22

RULE 163 (2)

Applications granted for specific bargains in securities not listed on any Stock Exchange

[illegible]

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

(NIL)

(By permission of the Stock Exchange Council)

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel	§ 9 %
Henry Ansbacher	9 %	C. Hoare & Co.	† 9 %
Arbuthnot Latham	8 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½ %	Knowsley & Co. Ltd.	9½ %
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	10 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½ %
■ Brown Shipley	9 %	Royal Trust Co Canada	9 %
CL Bank Nederland	9 %	■ J Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered	‖ 9 %
Castle Court Trust Ltd.	9½ %	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½ %	United Mizrahi Bank	9 %
Citibank Savings	¶10½ %	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½ %	Whiteaway Laidlaw	9½ %
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank	* 9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½ %		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½ %		
■ Robert Fraser	9½ %		
Grindlays Bank	‡ 9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%, 1-month 5¾%. Fixed rate 12 months £2,500 6%. £5,000 12 months 9.3%.
† 7-day deposits on sums of: under £10,000 5¾%, £10,000 up to £50,000 6¼%, £50,000 and over 7¼%.
‡ Call deposits £1,000 and over 5½%.
§ 21-day deposits over £1,000 6¼%.
‖ Demand deposits 5¾%.
¶ Mortgage base rate.

EUROPEAN OPTIONS EXCHANGE

Series	Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$378.50
SILVER C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	$8.78
AKZO C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.105.80
AMRO C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GIST C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.131.50
HEIN C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.144.60
HOOG C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KLM C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.176.50
NEDL C	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.43.20
PHIL C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.146.10
RD C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.246.50
UNIL C/P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	F.163.54

TOTAL VOLUME IN CONTRACTS: 24,132

A=Ask B=Bid C=Call P=Put

Economic Diary

TOMORROW: Mr John Selwyn Gummer, Conservative Party chairman, and Mr Edward Heath, to address National Young Conservatives's conference at Winter Gardens, Blackpool.

MONDAY: European Parliament in session in Strasbourg (until February 17). OECD Finance Ministers start two-day meeting in Paris. President Reagan confers with King Hussein of Jordan in Washington.

TUESDAY: Index of output of the production industries (December). President Reagan in Middle East talks with President Mubarak of Egypt. Informal meeting of EEC Energy Ministers in Paris. National Farmers' Union hold two-day annual meeting at Kensington Town Hall, W8. Mr Charles Price, U.S. Ambassador, to address American Chamber of Commerce lunch at Inter-Continental Hotel, W1.

WEDNESDAY: Indices of average earnings (December). Mr Tom King, Employment Secretary, to address Industry Society Conference "Skills for survival—skills for success — keeping British industry competitive—the role of distance learning" at Carlton House Terrace, SW1. UCATT statement on building workers' pay claim. M François Mitterrand, French President, in talks with Mr Wilfried Martens, Belgian Prime Minister, on European Community crisis. Chatham House conference on "Natural gas supply in Western Europe" at 10 St James's Square, SW1.

THURSDAY: Public sector borrowing requirement (January). UK banks assets and liabilities and the money stock (mid-January). Herr Helmut Kohl, West German Chancellor, on visit to Brussels. Sr Javier Perez de Cuellar, UN Secretary, speaks at European disarmament conference in Stockholm.

UK CONVERTIBLE STOCK 11/2/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Con-version dates§	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div◊	Cheap (+) Dear (−)○ Current
British Land 12pc Cv 2002	8.60	362.00	333.3	80-82	3.3	—	−3.0	−7 to 2	45.5	65.7	5.4	+8.5
Hanson Trust 9½pc Cv 01-06	81.54	263.50	160.7	85-01	3.8	0.4	−1.2	−12 to −1	197.9	74.6	−45.2	−45.0
Slough Estates 10pc Cv 87-90	5.03	358.50	234.4	78-85	3.9	—	−7.6	−12 to −4	18.6	9.3	−3.4	+4.2
Slough Estates 8pc Cv 91-94	24.72	113.50	97.5	80-89	7.1	5.9	−1.3	−3 to 3	25.6	30.1	3.0	+4.3

* Number of ordinary shares into which £100 nominal of convertible stock is convertible. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ◊ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ○ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. Second data is assumed date of conversion. This is not necessarily the last date of conversion.

LONDON TRADED OPTIONS

Option	Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cons. Gold	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Courtaulds	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Com. Union	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C.E.C.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Grand Met.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
I.C.I.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Land Secur.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Marks & Sp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Shell Trans.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Barclays	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Gp.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lasmo	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Lonrho	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. & O.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Racal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
R.T.Z.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vaal Reefs	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Option	Calls Mar.	Calls June	Calls Sep.	Puts Mar.	Puts June	Puts Sep.
Beecham	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Boots	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
De Beers	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Guest Keen	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Hanson	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Tesco	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Feb. 10. Total Contracts. 4,603 Calls 3,171. Puts 1,432.

*Underlying security price.

Early 5.8 rally on Wall St

A RALLYING tendency developed on Wall Street yesterday when stock prices were recovering some of the ground lost in recent days after investors became troubled about ecooomic prospects for the U.S.

By 1 pm the Dow Jones Industrial Average regained 5.87 to 1,158.61, reducing its fall on the week to 38.42, while the NYSE All Common Index, at $90.01, gained 29 cents on the day but was still down $2.97 on the week. The Transport Index recovered 2.89 to 515.71, reducing its loss on the week to 19.66.

In the broader market, advancing issues led declines by about a seveo-to-six majority, but the trading volume dropped 28m sharos to 69m, compared with 1 pm Thursday.

Analysts said investors may be encouraged by the possibility of improved relations between the U.S. and the Soviet Union since the death of Soviet President Yuri Andropov.

They speculated that Washington may be able to seize the opoortunity to lighten its strong stand against the Soviets.

But some operators said the Stock Market may become more cautious in the afternoon in advance of an expected large increase in tho U.S. Mcoey Supply.

Chicago-Milwaukee continued to climb and further advenced $3⅞ to $115 oo renewed takeover speculation.

Chock Full O'Nuts jumped $2½ to $13½ after a published report suggested that the company could be acquired.

Honston Natural Gas rose $2⅜ to $55⅝ oo reports that it was looking for a "White Knight" to help it in its battle with Coastal Corp.

Long Island Lighting fell $⅝ to $8¼ after saying it suspended construction payments for its Nine Mile Point uoit two facility.

United Brands improved $1¼ to $20¼ after American Financial Corp said it increased its stake in the company to 45.4 per cent from 29.8 per ceot.

Certain Technolngy shares improved. Aynct moved up $2½ to $36, Texas Instruments $1⅞ to $129 and Cray Research $1¾ to $46½.

THE AMERICAN SE Market Value Index gaiocd 1.64 to 206.35, cutting its loss on the week to 6.99. Tradiog voluuie decreased 1.53 shares to 5.03m, compared with 1 pm Thursday.

Canada

Stocks moved up over a wide range yesterday morning.

The Toronto Composite Index rallied 13.6 to 2,399.6. Metals and Minerals 19.6 to 2,188.9, Oil and Gas 14.9 to 3,304.7, Banks 1.40 to 464.87 and Utilities 1.43 to 316.76. But Golds shed 3.9 to 4,096.0.

Northern Telecom further advanced $1 to $44⅜ after ostimating 1984 earnings would rise more than 25 per ceot.

Germany

News that Soviet President Yuri Andropov had died "choked off" an ongoing recovery by mid-sessioo, pressuring equities to a mixed close by the end of trading.

Brokers said shares were in the process of rebounding from Thursday's decline in the first hour of trading that featured purchasing by both Foreign and Domestic investors. The brief rally was aided along by signs that Wall Street would snap out of its own downtrend.

In Banks, Deutsche rose DM 4.50 to DM 377 and Commerzbank DM 3.80 to DM 180.

In Motors, VW gained DM 4 to DM 215, and BMW DM 6 to DM 419.

Among Engineering, Linde surged ahead DM 8 to DM 389.

In Stores, Horteo added DM 5.50 at DM 199.50, Kaufhof were DM 4 higher at DM 250 and Karstadt firmed DM 3 to DM 260.

PARIS

The death of the Soviet leader had little impact on the Bourse as share prices edged higher in active trading. Advances outscored declines by 95-to-57 in the French section.

Dealers said investors were eocouraged by signs that Wall Street's decline is slowing. Also boosting the market was the ½ percentage point decline in the Call Mooey rate to 11¼ per ceot.

Switzerland

Domestic stock prices finished mostly steady in moderately active trading. Blue Chips benefited from expectations of a recovery on Wall Street.

Engineerings showed good gains led by Georg Fischer, up SwFr 5 at 678.

The Bond Market closed steady on average volume.

In the foreign sector, Dollar stocks traded above over night New York levels. Active Germans rose, Dutch Internationals and South African Gold Minings ended steady.

Tokyo

Lower but off the worst. The Market Average ended below 10,000 for the first time for a month, finishiog off another 41.64 at 9,959.9—it was dowo 60.35 at one point in the afternoon. Volume of 330m (380m) shares.

Investors' worries about the continuing fall on Wall Street, increased Foreign selling aod the high level of margio buying positions were responsible for the fall, dealers said.

Iovestors held off towards the close ahead of the long weekeod. The market will be close today, the secood Saturday of the month.

Blue Chips, International "Populars" and "Big Capital" shares led the price falls.

Non-Ferrous Metal rebounded towards the close, but the rise failed to gather momentum.

Honda Motor fell Y40 to a three-month low of Y990 following a fall in its American Depository Receipt.

Major Baoks reacted on profit-taking.

Hong Kong

Share prices tumbled in the wake of the receot decline oo Wall Street.

The Heng Seng Index fell 16 points by mid-session and accelerated in the afternoon to finish off 39.31 at 1,055.77.

Brokers said, however, sentiment remains bullish on expectations of good demand at Government land sales scheduled for next week.

Singapore

Share prices drifted lower on continued profit-taking and selling io moderate trading, with lower Wall Street and Hong Kong Market advices depressing sentiment.

The Straits Times Industrial Index lost 3.68 to 1060.20.

Tan Chong, up 5 cents at S$10.0, announced a five-for-two bonus issue and was the most active stock, with 1m onits transacted. Genting followed with 874,000 shares exchanged before closing at S$5.90, up 5 cents.

Johannesburg

Gold shares qoietly easier with the Bullioo price.

"Heavyweight" losses ranging to 200 cents, as io Randfontein at 16,800 cents.

Platinums mirrored Golds but other Minings and Mining Financials were mostly changed.

Industrials were narrowly mixed.

Australia

Stock prices cootinued their week-long slide in reaction to weakoess in overseas stocks and commodities.

Traders said lower Wall Street prices again combioed with lower Gold and Base Metal prices to keep downward pressure on Australian stock prices. Trading was moderate.

Tho All Ordinaries Index finished at its lowest level of the year at 743.4, down 4.4 oo the day, and well off the 776.8 level it finished at last Friday.

Declines were recorded across the board, but brokers noted that there was good interest io the Property sector.

The Speculative Australian stock of the year, Vapocure, continued its remarkable gains by hitting A$13 a share during the day before settliog at A$12.20 at the close, up from A$11 a share Thursday.

Closing prices for North America were not available for this edition.

NEW YORK

Indices

CANADA

Stock	Feb. 9	Feb. 8
AMCA-Intl.	22⅝	22¾
Abitibi	26	26
Agnico Eagle	17⅜	17⅝
Alberta Energy	19	18
Alcan Aluminium	41	40⅞
Algoma Steel	28⅞	29

DENMARK

Feb. 10	Price Knr %	+ or —
Aarhus Olie	413	.....
Andelsbanken	300	—3
Baltic Skand	660	—3
CopHandelsbank	293	+1
D. Sukkerfab	810	.....
Danske Bank	327	.....

NETHERLANDS

Feb. 10	Price Fls	+ or —
ACF Holding	199	+2
Aegon	130	+7
Ahold	214	+6
AKZO	106	+1
ABN	410	+6

AUSTRALIA

Feb. 10	Price Aust $	+ or —
ANZ Group	6.3xc	.....
Acrow Aust.	1.45	.....
Alliance Oil D.	0.8	—0.08
Ampol Pet	1.7	+0.05
Aust Cons Ind	1.75	—0.02
Aust. Guarant	2.76	+0.05
Aust. Nat. Inds	2.5	—0.05

JAPAN (continued)

Feb. 10	Price Yen	+ or —
Konishiroku	670	—9
Kubota	327	+9
Kumagai	446	.....
Kyoto Commic	10,100	+80
Maeda Const.	498	+3
Makino Milling	1,310	—80
Makita	1,260	—10

FRANCE

GERMANY

NORWAY

SPAIN

SWEDEN

SWITZERLAND

ITALY

AUSTRIA

BELGIUM/LUXEMBOURG

HONG KONG

SINGAPORE

SOUTH AFRICA

NEW YORK ACTIVE STOCKS

FOREIGN EXCHANGES

Dollar firmer

The dollar improved in currency markets yesterday in rather thin trading ahead of the long weekend with U.S. centres closed on Monday for a public holiday. News of the death of Yuri Andropov, the Soviet President tended to underpin the U.S. unit amid uncertainty as to who may succeed him. The market also reacted to fears of a sharp rise in U.S. M1 money supply this week.

The D-mark was firmer against most currencies with the exception of the dollar while the Swiss franc was weaker all round, even closing lower against sterling itself rather weak on the day. The dollar rose to DM 2.7435 from DM 2.7330 against the D-mark and SwFr 2.2370 compared with SwFr 2.2190. It was also higher against the French franc at FFr 8.45 from FFr 8.4040 and Y234.65 from Y233.75. On Bank of England figures, the dollar's trade weighted index rose to 130.2 from 129.8.

Sterling was weaker against most currencies. Its trade weighted index fell to 81.4 from 81.7, having stood at 81.5 at noon and in the morning. Against the dollar it opened at $1.4145 and traded in a fairly narrow range of $1.4100-1.4195. It closed at $1.4135-1.4145, a fall of 90 points. Against the D-mark it fell to DM 3.8825 from DM 3.89 and Y332.0 from Y3332.75. It was also lower against the French franc at FFr 11.9450 from FFr 11.9575 but improved in terms of the Swiss franc to finish at SwFr 3.1650 compared with SwFr 3.1600.

THE POUND SPOT AND FORWARD

THE DOLLAR SPOT AND FORWARD

OTHER CURRENCIES

EXCHANGE CROSS RATES

MONEY MARKETS

Further shortage

Day to day credit was in short supply in the London money market yesterday. The Bank of England forecast a shortage of around £500m with factors affecting the market including maturing assistance and a take up of Treasury bills together draining £192m and Exchequer transactions a further £20m. There was also a rise in the note circulation of £235m and banks brought forward balances £50m below target.

The forecast was later revised to a shortage of around £550m and the Bank gave assistance in the morning of £331m. This comprised purchases of £3m of local authority bills in band 1 (up to 14 days) at 9⅛ per cent and in band 2 (15-33 days), £53m of eligible bank bills at 9 per cent. In band 3 (34-63 days) it bought £24m of eligible bank bills at 8⅞ per cent and in band 4 (64-91 days), £28m of eligible bank bills at 8¾ per cent. The Bank also arranged sale and repurchase agreements on £223m of bills at 9⅛ per cent, unwinding on February 14.

The forecast was again revised in the afternoon, before taking into account the morning's help and the authorities bought £4m of local authority bills in band 2 at 9 per cent and also £20m of eligible bank bills in band 2 at 9 per cent. In band 4 it bought £7m of local authority bills and £12m of eligible bank bills at 8¾ per cent. The Bank also provided a late round of assistance worth around £10m.

Three-month eligible bank bills were bid at 8¾-8⅞ per cent, unchanged from Thursday as was the three-month interbank rate at 9⅞-9⅞ per cent. Weekend interbank money opened at 9½-9¾ per cent and touched a high point of 10 per cent before slipping back to 8¾ per cent. Late balances were taken up to 9½ per cent however.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

LONDON MONEY RATES

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 4 to February 7 1984 (inclusive): 9.493 per cent. Local authorities and finance houses seven days' notice others seven days' fixed. Finance Houses Base Rates (published by the Finance Houses Association): 9½ per cent from February 1, 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rate for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rates of discount 8.8550 per cent. Certificate of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¼ per cent; one-three months 9¾ per cent; three-six months 9¾ per cent; six-12 months 9¾ per cent. Under £100,000 9¼ per cent from February 6. Deposits held under Series 4-5 10¾ per cent. The rate for all deposits withdrawn for cash 8 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING
(11.00 a.m. February 10)

3 months U.S. dollars	
bid 9 15/16	offer 9 15/16

6 months U.S. dollars	
bid 9 15/16	offer 10 1/16

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Asian $ (closing rates in Singapore): Short-term 9⅝-9¾ per cent; seven days 9¹¹⁄₁₆-9¹³⁄₁₆ per cent; one month 9¹³⁄₁₆-9¹⁵⁄₁₆ per cent; three months 9¹⁵⁄₁₆-10¹⁄₁₆ per cent; six months 9¹⁵⁄₁₆-10¹⁄₁₆ per cent; one year 10¼-10⅜ per cent. Long-term Eurodollars two years 11-11⅛ per cent, three years 11⅜-11½ per cent, four years 11⅞-12⅛ per cent; five years 12⅛-12⅜ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen, two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983/84 High	1983/84 Low
Coconut	£1090	+10	£660	£1,090	£510
Gas Oil Fut. Mar	$244.6	-1.25	$241	$277.5	$220
Jute UA BWC grade	$505u	—			
Rubber kilo	87.6p	-2	61p	91p	50p
Sago Pearl	£298u	—	£050	£298	£242
Sisal No. 3L	$630u	—	$895/666	$676	$690/630
Sugar (Raw)	£105.5u	-6.6	£111	£193.8	£96
Tapioca No. 1	£316u	—	£276	£320	£216
Tea (quality) kilo	306p	-10	154p	376p	137p
(low med.) kilo	296p	-4	122p	970p	113p
Wooltops 64s Super	472p kilo	+2	400p kilo	—	—

‡ Unquoted. (y) March. (v) April. (z) May. (u) Feb-March. (g) Madagascar. § Ghana cocoa.

REVIEW OF THE WEEK

Metal prices end the week on quiet note

BY OUR COMMODITIES STAFF

THE DEATH of the Soviet president, Yuri Andropov, failed to bring much reaction on the metal markets. Normally prices would be boosted by the ensuing uncertainty but on this occasion, reflecting the quiet state of the market, prices fell, influenced by the stronger dollar and subsequent decline in gold. Gold dropped by $5 to $378.5 an ounce, while the London bullion spot price of silver was cut by 18.9p to 616.65p an ounce at the morning fixing.

On the London Metal Exchange zinc suffered a severe setback, with the cash price losing £15 to £701.5 a tonne.

After reaching the highest level for 9½-years last week, zinc values fluctuated wildly this week before ending with a net decline compared with a week ago. Speculators are the major influence on day-to-day movements, although the shortage of immediately available supplies has sustained the cash price at a premium to the three months quotation.

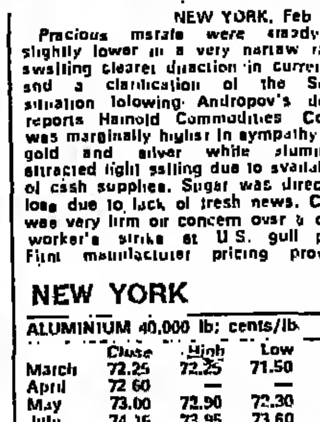
Copper and aluminium both lost ground this week. Copper was mainly influenced by changes in the dollar/sterling parity. Aluminium was depressed yesterday by latest figures from the International Primary Aluminium Institute estimating that primary stocks in the non-Communist world rose in December by 59,000 tonnes to 2.014m tonnes.

Coffee prices rallied this week, after initially continuing last week's fall. The May futures position, which slipped to £1,902 a tonne at one stage, ended £40 up at £1,957.50 a tonne.

Expectations of a 1m bags (60 kilos each) export quota release by the International Coffee Organisation were fulfilled on Wednesday when the 15-day average price breached the 140 cents a lb trigger level. The total 1983/84 export quota for ICO members now stands at 58.2m bags.

Wednesday's release, which was preceded on Tuesday by news that the ICO had carried forward 1.6m bags of unused October/December quotas into the January/March quarter, was described as "unwarranted" by Sr Octavio Rainho, president of the Brazilian Coffee Institute.

Sugar prices continued to slide, the London daily price reaching a 9-month low of £121.50 a tonne before ending the week £5.50 down on balance.



The cocoa market was much quieter than of late. Last week's £160 fall was followed through early in the week taking the May futures quotation down to £1,826.50 a tonne. But after a modest rally the price ended £33.50 up on balance at £1,872.50 a tonne.

LONDON OIL

CRUDE OIL FUTURES

Month	Yest'day's close	+ or —	Business Done
	$ U.S. per brl		
Mar	—	—	—
Apr	99.48	-0.02	—
May	29.16	+0.02	—
June	29.05	-0.05	—
July	29.05	+0.02	—
Aug	29.05	+0.18	—

Turnover: 0 (163) lots of 1,000 barrels.

SPOT PRICES

	Latest	Change + or —
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	88.45-28.55	—
Iranian Light	97.60-27.80	—
Arab Heavy	26.45-96.55	—
North Sea (Forties)	28.25-89.60	-0.08
North Sea (Brent)	29.30-29.90	-0.05
African Bonny Light	29.50-29.70	-0.05
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	969-979	+1
Gas Oil	846-255	—
Heavy fuel oil	179-174	-1

GAS OIL FUTURES

GOLD MARKETS

Gold fell $5 an ounce from Thursday's close in the London bullion market yesterday to finish at $378½-379. The metal opened at $380½-381 and traded between a high of $381½-382 and a low of $378½-379.

LONDON FUTURES

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at three months £1002.50, 3. Cathodes: Cash £971. Kerb: Higher Grade: Three months £1003, 2. Afternoon: Higher Grade Cash £982.50, three months £1002.50, 3. Kerb: Higher Grade Three months £1002, 1, 2, 1.50, 1, 1000, 999.50. Turnover: 13,500 tonnes. U.S. Producers 67-70 cents per pound.

75.50, 76, 75.50, 75, 73.50, 71. Afternoon: Three months £1072, 73, 74, 74.50, 75, 76, 77, 78, 77, 75.50, 77, 76, 76.50. Kerb: Three months £1076, 77, 75.50, 75, 75.50. Turnover: 14,650 tonnes.

COPPER

TIN

SILVER

LEAD

ZINC

ALUMINIUM

NICKEL

COFFEE

COFFEE	Yest'day's Close	+ or —	Business Done
March	2087-99	+18.5	2110-90
May	1857-58	+23.5	1960-40
July	1885-87	+20.5	1889-70
Sept	1842-43	-18.5	1850-32
Nov	1814-15	-21.0	1820-05
January	1780-89	+18.5	1780-73
March	1753-55	-12.5	1758-47

Sales: 3,907 (4,127) lots of 5 tonnes.
ICO Indicator prices (U.S. cents per pound) for Feb 9: Comp daily 1979 139.19 (138.76); 15-day average 140.06 (same).

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 1 14 per cent Feb 142.25, March 143.75, April/May 132.75 trans-shipment East Coast sellers. English feed fob Feb 124.50, March 125.25, April/June 126.50 East Coast sellers.

POTATOES

SOYABEAN MEAL

SUGAR

RUBBER

COCOA

INDICES

FINANCIAL TIMES

Feb. 9	Feb. 8	M'th ago	Y'ar ago
293.44	295.19	296.05	956.41

(Base: July 1 1952=100)

REUTERS

Feb. 10	Feb. 9	M'th ago	Y'ar ago
1983.0	1986.9	1986.5	1678.5

(Base: September 18 1931=100)

MOODY'S

Feb. 9	Feb. 8	M'th ago	Year ago
1053.9	1056.1	1043.9	1071.6

(Base: December 31 1931=100)

DOW JONES

AMERICAN MARKETS

NEW YORK, Feb 10

Precious metals were steady to slightly lower in a very narrow range awaiting clearer direction in currencies and a clarification of the Soviet situation following Andropov's death, reports Harnold Commodities. Copper was marginally higher in sympathy with gold and silver while aluminium attracted light selling due to availability of cash supplies. Sugar was directionless due to lack of fresh news. Coffee was very firm on concern over a dock-worker's strike at U.S. gulf ports. Firm manufacturer pricing provided support in cocoa. Cotton was mixed with nearby months under selling pressure and forwards slightly higher following an export sales report which showed a relatively high level of sales but slightly disappointing Soviet purchases. Heating oil firmed slightly on short-covering ahead of the weekend and concern over the low level of primary inventories. Grains and soyabeans continued under pressure due to lack of export demand. The soyabean complex ignored news that CACEX had suspended soyabean and product export registrations.

NEW YORK

ALUMINIUM 40,000 lb; cents/lb

	Close	High	Low	Prev
March	72.25	72.25	71.50	72.30
April	72.60	—	—	72.70
May	73.00	72.90	72.30	73.10
July	74.15	73.95	73.60	74.15

SILVER 5,000 troy oz; cents/troy oz

	Close	High	Low	Prev
Feb	875.6	—	—	875.0
March	379.0	385.0	869.0	879.0
April	886.1	895.0	865.0	886.1
May	593.8	896.5	378.0	693.8
July	903.7	915.0	899.5	908.7

CHICAGO

without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system.

For those securities in which no business was recorded in Thursday's Official List the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices ✝ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

UK PUBLIC BOARDS

COMMONWEALTH GOVT.

FOREIGN STOCKS

(coupons payable London)

CORPORATIONS—FOREIGN

BANKS, DISCOUNT

BREWERIES

COMMERCIAL INDUSTRIAL

A—B

C—D

E—F

G—H

I—J—K

Johnson Matthey 5½pcDb 1988-90 £74½ (8/2). 7¼pcDb 1990-95 £76½ (6/2)
Jones Stroud (Hldgs) 10pcPf (£1) 107

K Shoes 6½pcDb 1984-89 £84½ 5¼. 7½pcDb 1986-91 £89¼
Kalamazoo 8½pcLn 1987 £88 (6/2)
Kennedy Smale 6pcPf (£1) 42 (7/2)
Kenning Motor Grp 5½pcPf (£1) 43½ (6/2)

L—M

N—O—P

Q—R—S

T—U—V

Transcanada Pipelines 16½pc1stBds 2007 £128½ (6/2)
Transport Develop Grp 4.2pcPf (£1) 50. 8½pcLn 1993-98 £76 (8/2). 9¼pcLn 1995-2000 £63 ½ (6/2)
Tranwood Group (5p) 9 ¼
Travis Arnold 7pc1stPf (£1) 80½ (7/2)
Trusthouse Forte 6.25pc1stDb 1984-89 £81½ (6/2). 7.25pc1stDb 1986-91 £80¼ (7/2). 10.5pcLn 1995-2000 £83¼

W—Y—Z

FINANCIAL TRUSTS

INSURANCE

INVESTMENT TRUSTS

UNIT TRUSTS

MINES—MISCELLANEOUS

MINES—SOUTH AFRICAN

OIL

PROPERTY

Amal Estates 6½pcPf (£1) 87½
Argyle Secs 12pcDb 1993-98 £102
Atlantic Metropolitan (UK) 12pcLn 1991-1997 £113 (3/2)
Bampton Hldgs 8½pcLn 2002-07 £65 (5/2)
British Land 12pc1stDb 1997 £113¼. 12pcLn 2002 £364 (7/2)
Brixton Est 9pc1stDb 1992-97 £94 (6/2)

Malaysia Rubber (10p) 240
Harborough Plantations (10p) 128D
Rembia Rubber (5p) 103
Rup Estates 145 (3/2)
Singapore Para Rubber Estates (5p) 67
Sogomana (10p) 582 90
Sungei Bahru Rubber Estates (10p) 225 (7/2)
Western Dooars Tea (£1) 260 (7/2)

UTILITIES

WATER WORKS

PLANTATIONS

RAILWAYS

Calgary Edmonton Railway 4pcDb 2002 £32½
Canadian Pacific 7¼pcPf (C$)01 425 (6/2)

SHIPPING

Caledonia Inv 6pcDb 80-85 £93¼ (6/2)
Graig Shipping A NV (£1) 580 (7/2)

UNLISTED SECURITIES MARKET

Kenyon Secs 190 (8/2)
London and Continental Advert Hldgs (8p) 34 (7/2)
Mabon (10p) 105 6
Moray Firth Maltings (50p) 220
New Court Natural Resources Wts aap Orb 7
Rivlin (I. D. and S.) Hldgs (5p) 70 ½ 2
Syntonials (10p) 86
Television South 14-20pcLn 1986-88 £116¼ (6/2)
Thorpac Gp (5p) 65 (6/2)
Townsgrade Secs (20p) 28
Unibond (Hldgs) New 107 8 0
United Friendly Insurance 8 (10p) 262
Valin Pollen Intntl (5p) 152. New (5p) 152 3 5
Welpac (10p) 17 ½

...since the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

AOG Minerals 14½
Acmex Hldgs 75 (8/2)
Acorn Secs 34
Aetna Life Casualty £24½ (8/2)
Agnico-Eagle Mines £10½ (8/2)
Alliance Oil Dvlpmnt 35
Allied Stores £30
Amatil 200
Amerada Hess £20½ (8/2)
American Home Prods $30½ (8/2)
American Standard £19¼
Ampol Expl 200 (8/2)
Ampol 110Φ 15 (8/2)
Amsterdam-Rotterdam Bank £16Φ 16.35Φ (8/2)
Apex Oil ($A0.25) 10½ (3/2)
Ashton Mining 82 (8/2)
Atlantic Richfield $US44Φ £29½ (7/2)
Atlas Indusis 79 80
Aust. Foundation Inv 113Φ (8/2)
Aust Guarantee 178 (6/2)
Aust. Oil Gas 72Φ 1 (7/2)
Aust. Shale Coal A½ (6/2)
Avnet Inc. £22½
Avon Prods £17¾ (7/2)
Aztec Expl 16½ (3/2)
Basic Resources Int (Bahamas) 80 (7/2)
Basin Oil 200Φ 195 (8/2)
Bass Strait Oil Gas 9 (8/2)
Bata Kawan 152Φ (7/2)
Bayerische Motoren Werke £111.90 (8/2)
Beach Petroleum 29 30 1
Berjentai Tin Dredging 180 (6/2)
Boral Ord 218Φ 220 (7/2)
Borden £38½Φ (7/2)
Bounty Invs 142 (8/2)
BP Resources Canada £12¾
Brambles Indusis 200
Budbha Gold Mines 8½ ¾ 0
CSF (Thomson-CSF) FF304.35 305 312.90 315.10 (8/2)
Campbell Red Lake Mines £18⅞ (3/2)
Carlton United Breweries 247Φ 8
Castlemaine Tooheys 278 (7/2)
Central Kalgoorlie Gold Mines ($A0.20) 41 (3/2)
Central Norseman Gold 385Φ (6/2)
Central Victorian Gold Mines 90 (7/2)
Cheung Kong (Hldgs) 87
Cheyenne Resources (7 (3/2)
Chieftan Dvlpmnt 850 (8/2)
Churchill Energy 7½Φ ½ ¾
Cliffminex 7½ (7/2)
Club Mediterranee £60½ (8/2)
Coles (G. J.) 235Φ (8/2)
Commodore Intnl $US31½Φ ½Φ (8/2)
Computervision £23 (6/2)

Continued on Page 19

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar. 0707 42311

Pension Funds				
EqPerFdAcc	635.3	665.7	+1.4	—
Euro Fd Acc	98.2	103.3	−2.3	—
FixedPenAc	426.4	448.8	+1.2	—
GtMnPrAc	253.8	267.1		—
IntlManFd	261.9	275.7	−0.9	—
Jap Pen Fd	132.8	139.9	−1.2	—
AmPnFdAc	118.0	124.1	−1.2	—
PropPenFd	234.0	246.3	−0.5	—
MplInPnAcc	531.0	558.9	−0.1	—

Colonial Mutual Group
24 Ludgate Hill EC4P 4BD. 01-248 0861

Capital Life Assurance				
Key InvFd	—	127.95	....	—
Pcmkr Inv Fd	—	128.36	....	—
Equity Fd	109.86	115.64	....	—
Fxd Int Fd	105.63	111.21	....	—
PropFd	103.02	108.44	....	—
Cash Fd	101.43	108.77	....	—
Managed Fd	111.37	117.23		—
Cpl Mut Life (Pension Annuities)				
MdPnCpA 8	99.31	104.57	−0.07	—
MdPnInvA 8	99.53	104.78		—

Commercial Union Group
St Helens, 1 Undershaft EC3. 01-283 7500

VarAnnAcFb10	—	197.38	−4.50	—
VarAnnFb17	—	34.28	−0.72	—
Prime Series—Life				
Managed	151.8	158.6	+0.2	—
UK Equity	134.9	142.1	+0.1	—
Int Equity	129.9	136.8	−0.1	—
Property	104.0	109.5		—
Fixed Int	111.0	117.0	+0.4	—
Index Lkd Gt	91.2	91.3		—
Cash	100.5	105.8		—
Prime Series—Pensions				
Managed	96.8	101.9	−0.2	—
UK Equity	94.0	101.9	−0.1	—
Int Equity	97.2	102.4	+0.6	—
Property	96.0	101.1		—
Fixed Int	95.3	100.4	+0.5	—
IndexLkdGt	94.9	99.9	....	—
Cash	95.8	100.9		—

Continental Life Assurance PLC
64 High St Croydon CR0 9XN 01-680 3225

Equity Acc	184.7	194.5	...	—
Property Acc	165.6	174.3	...	—
Int Acc	156.3	164.6	...	—
Managed Acc	177.5	186.9	...	—
Spec Sits	135.9	142.8	...	—
Pen Int Acc	148.6	156.5	...	—
Pen Prp Acc	183.4	193.3	...	—
Pens Equity	214.7	226.1	...	—
Pen Mn Acc	177.9	187.1	...	—

Gilt Deposit Index Fund prices available on request.

Crown Life
Crown Life House Woking GU21 1XW.

Property	177.1	—	....	—
Deposit	144.4	—	....	—
Mixed	203.8	—	....	—
InPex Stock	103.0	—	....	—
Internatonl	120.2	—	....	—
Managed Funds				
Equity(P)	181.1	—	....	—
FixedInt(P)	178.7	—	....	—
Property(P)	130.4	—	....	—
Deposits(P)	125.2	—	....	—
Mixed(P)	163.6	—	....	—
Index Stock	116.0	—	....	—
Int Equity	116.4	—	....	—

Moneywise Friendly Society
80 Holdenhurst Rd, Bournemouth. 0202 295678

Moneywise In	51.8	55.2	+0.3	—

Municipal Life Assurance Ltd
99 Sandling Rd, Maidstone. 0622 679351

Equity Fd	102.0	108.0	....	—
Managed Fd	109.0	113.0	....	—

Premium Life Assurance Co Ltd
Eastchester House, Haywards Heath. 0444 458721

Nat Res'ces	107.0	113.0	−8.0	—
Property	141.0	149.0	+1.0	—
UK Equity	142.0	150.0	−2.0	—
Intl Equity	129.0	136.0	−1.0	—
Jarrcts Fd	88.0	93.0	−3.0	—

Prudential Pensions Ltd
Holborn Bars EC1 2NH. 01-405 9222
Pru-Link Retirement Plan

Managed Fd	152.9	159.3	....	—
Cash Fd	116.3	121.2	....	—

Reliance Mutual
Reliance Hse, Tunbridge Wells, Kent. 0892 22271

RL Pension Funds				
Deposit Cap	95.1	100.2	+0.2	—
Deposit Acc	95.2	100.3	+0.3	—
Equity Cap	90.7	95.5	−4.5	—
Equity Acc	90.7	95.5	−4.5	—
Fixed Int Cap	97.1	102.3	+2.3	—
Fixed Int Acc	97.2	102.4	+2.4	—
GltIndxLkdCa	95.0	100.0		—
GltIndxLkdAc	95.1	100.2	+0.2	—
Managed Cap	94.3	99.3	−0.7	—
Managed Acc	94.4	99.4	−0.6	—

St George Assurance Co Ltd
The Priory, Hitchin, Herts. 0462 57161

Managed Fd	108.0	113.7	....	—
Universal Fd	104.7	110.3	....	—

Scottish Provident Institution
6 St Andrews Sq, Edinburgh. 031-556 9181

Mixed	100.3	105.7	....	—
Equity	102.8	108.3	....	—
International	105.2	110.8	−0.3	—
Property	96.3	101.5	....	—
Fixed Int	96.5	101.7	+0.3	—
Index Lkd	94.4	99.4	+0.1	—
Cash	96.2	101.4	....	—
PenMxdInt	100.1	105.5	...	—
Do Ord	108.8	100.2	...	—
Pen Eq Int	103.1	108.6	...	—
Do Ord	105.7	109.3	+0.1	—
Pens Intl	105.3	111.0	−0.2	—

Offshore & Overseas—continued

For other Rothschild Offshore Funds see Offshore and Overseas section.

Schroder Mngt Services (Jersey) Ltd
PO Box 195, St Helier, Jersey. 0534 27561
Schroder Money Funds Ltd

Sterling	£14.5764		....	—
U.S. Dollar	$27.3251		....	—
D-Mark	DM52.3205		....	—
Swiss Franc	SwFr31.6070		....	—

J. Henry Schroder Wagg & Co Ltd
120 Cheapside, EC2 01-382 6000

Naess & Th Feb3	$42.97	−2.75		—

Standard Chartered Off Money Mkt Fd
PO Box 122, St Helier, Jersey. 0534 74454

Sterling	£10.3593	+0.0023	8.42
U.S. Dollar	$20.7288	+0.0048	6.67
D-Mark	DM30.9671	+0.0066	4.76
Swiss Fr	SwFr40.4837	+0.0031	2.77
Japan Yen	Y5,118.9287	+0.7367	5.24

State St Bank Equity Hldgs NV
Car Mgt Co, 6 John B Gorsiraweg, Curacao
Net asset value Feb 7 $7.39.

Taiwan (R.O.C.) Fund
c/o Vickers da Costa Ltd, King William St.
NAVN7 $427 IDR value US$10,627.18

Target Trust Mngrs (Jersey) Ltd
PO Box 194, St Helier, Jersey. 0534 72936

Man Cur Fd	99.1	104.5	+0.1	—

Tyndall-Guardian Management Ltd
PO Box 1256, Hamilton, Bermuda.

T-G Amer	$21.10	....	—
T-G Money	$22.22	....	—
T-G Eurobond	$15.83	....	—
T-G Commodity	$20.99	....	—
T-G Mortgage	C$20.64	....	—
T-G Overseas	$12.59	....	—
T-G Pacific	Y2.257	....	—
T-G Wall St	$25.26	....	—
T-G Gold	$8.44	....	—

United Fund Managers Ltd
16-18 Queens Road Central, Hong Kong. 5-231417

S&MlyT	$11.20	11.71	....	—
Do Acc$	$129.61	130.27	....	5.91

Money Market Trust Funds

	Nom	APR	Int or	Notice
Mallinhall Ltd				
38 Berkeley Sq., W1K 5QA. 01-409 6634				
Mal'hallMyFd	0.85	9.10	Qtr	Call
The Money Market Trust				
63 Qn Victoria St EC4N 4T 01-236 0952				
Call Fund	8.84	9.07	6mth	Call
7-day Fund	8.88	8.11	6mth	7day
Oppenheimer Money Management Ltd				
66 Cannon St. EC4P 4ST 01-236 0253				
Call Fund	8.72	8.01	6mth	Call
7-day £	8.76	8.95	6mth	7day
High Int On Acc	5.72	8.91	6mth	1day
Dollar	8.37	8.54	6mth	2day

Money Market Bank Accounts

	Nom	APR	Int or	Notice
Aitken Hume				
1 Worship St. EC2A 2HQ. 01-638 6070				
Treasury Acc	8.875	0.175	Qtr	Call
Monthly Acc*	8.80	9.16	Mth	Call
Bank of Scotland				
36 Threadneedle St. EC2P 2EH. 01-625 8060				
Cheque Acc*	8.80	9.16	Mth	Call
Britannia Gp of Investment Companies				
29 Finsbury Circus. EC2M 5QL. 01-588 2777				
Cater Allen*	8.875	9.245	Mth	Call
Charterhouse Japhet PLC				
1 Paternoster Row, EC4M 7DH.				

هكذا من الأصل

Renault truck division deeply in red

BY PAUL BETTS IN PARIS

RENAULT, the French state-owned car group, will continue to be burdened by the problems of its loss-making industrial vehicles and farm machinery operations for another three years.

Renault's worldwide car operations are expected to show breakeven or a slim profit for 1983, but the worsening situation in the industrial vehicles market will again plunge Renault heavily into losses for 1983. The truck division could show a deficit of more than FFr 1bn.

The group is in the midst of considering detailed plans to restructure its farm equipment business. Negotiations are now advanced between Renault and International Harvester (IH), the U.S. farm machinery group, over major industrial collaboration in Western Europe.

Company officials said two possible types of collaboration were envisaged in the current talks with IH which could lead to a major agreement. The first would involve a joint venture limited to the two concerns' French farm machinery operations.

The second, and the one preferred by Renault, would involve collaboration on a European scale which would embrace IH's farm equipment operations and plants in West Germany and Britain as well as those in France.

Renault officials also confirmed any eventual deal would probably involve substantial French Government financial support of around FFr 1.5bn. But the same officials said Renault was no longer holding discussions with Massey Ferguson in France.

This year will be another difficult one for Renault's car operations, but next year the situation should improve. One of Renault's main problems has been that the company is in the middle of renewing its model range.

Holmens Bruk to build newsprint plant

By Kevin Done, Nordic Correspondent, in Stockholm

HOLMENS BRUK, Europe's largest newsprint manufacturer, is to invest SKr 750m ($93m) in a 210,000 tonnes a year newsprint plant.

The plant, to be built near Norrköping on the East Coast of Sweden, is planned to come into operation in September, 1985.

It will increase Holmens Bruk's total newsprint production capacity to nearly 900,000 tonnes a year and is part of the careful expansion of Sweden's newsprint capacity, expected to rise from just under 1.8m tonnes last year to some 2.1m tonnes by 1987.

The new Holmes Bruk plant is the second stage of a 400,000 tonnes a year paper mill begun in the mid-1970s.

Dagens Nyheter, Sweden's leading daily newspaper, controls 25 per cent of the voting rights in Holmens Bruk.

● Schauman, the Finnish integrated forest industry group, improved result in 1983. Turnover increased by 25 per cent to FM 2.13bn.

Assets sale boosts Metromedia

BY PAUL TAYLOR IN NEW YORK

METROMEDIA, the U.S. broadcasting and entertainment group which is currently the target of a management buyout, increased fourth quarter profits because of gains on the sale of assets. Net earnings for the latest period were $37.2m or $1.27 a share, compared with net earnings from continuing operations of $16.6m or 48 cents a share in 1982.

The latest figures include a $23.8m or 81 cents a share gain from the sale of assets. In *1982, $204.9m or $6.03 a share* from discontinued operations made a final net of $221.5m or $6.51 a share on revenues of $131m. Revenues in the latest quarter were $160.3m.

The latest results lifted Metromedia's full year net earnings to $102.2m or $3.45 a share, against a profit from continuing operations of $86.2m or $2.32 a share in 1982.

The 1983 full year earnings include a $69.4m or $2.34m a share gain on the sale of assets. In 1982 a $222.9m gain from discontinued operations made a *final final net of $309.2m* or $8.31 a share after a $50m or $1.35 gain on the sale of assets and retirement of debt.

Revenues increased from $407.1m in 1982 to $532.8m in 1983.

Earlier this month Metromedia approved a management buyout proposal from Mr John Kluge, its chairman who own about 25 per cent of Metromedia's stock, and three other executives. The proposal is subject to shareholder and Federal Communications Commission approval—would take *Metromedia private* in a deal valued at around $1.5bn.

Italian bank to double capital

ITALY'S second biggest bank, Banca Commerciale Italiana (BCI), plans to double its equity capital from L210bn ($124m) to L420bn. It is thus joining Credito Italiano and Banco di Roma, which like BCI are controlled by IRI, the state holding company, in planning a doubling of capital, writes James Buxton in Rome.

BCI, which says without giving figures that both its assets and profits rose satisfactorily last year, will give its shareholders shares to a value of L140bn by capitalising its *reserves, and will offer the* remaining L70bn worth in the form of rights, at a substantial discount on the current share price.

IRI currently owns 89 per cent of BCI, but this proportion is set to decrease later this year when convertible bonds issued to the public in the last capital increase over two years ago start to be converted. The same goes for Credito Italiano and Banco di Roma, *respectively* 77 per cent and 88 per cent owned by IRI.

Earlier this week Prof. Romano Prodi, chairman of IRI, said that IRI intended to reduce its holding in the banks it controls.

EFIM registers L440bn deficit

By Alan Friedman in Milan

EFIM, the smallest of the three major Italian state holding companies made a loss of L440bn ($262m) last year, against a deficit of L380.5bn the previous year. Sig Corrado Fiaccavento, who has just submitted his resignation as president of EFIM a year before his term expires, told the Senate Budget Committee in Rome yesterday that EFIM needs an extra L560bn of aid this year.

The EFIM loss was largely a result of problems in its aluminium business, which accounted for L370bn of the total L440bn 1983 deficit. Of the L370bn, some L280bn was related to financial charges.

Group turnover last year was L4,225bn, against L3,700bn in 1982. Aluminium turnover totalled L800bn. Total outstanding debt at the year end was L2,810bn, of which some L1,500bn was denominated in foreign currency.

● Invest, the Milan-based holding company of the Bonomi group of construction, wine, textile and other businesses, has announced a 1983 profit of L10bn ($5.9m), up by 30 per cent.

ESAB raises dividend

ESAB, the Swedish welding equipment group, says pre-tax *results for 1983 fell 6 per cent* to SKr 151m ($18.7m) on unchanged sales of SKr 2.5bn, writes David Brown in Stockholm.

The board recommends a dividend of SKr 10 a share, up from SKr 9.80, adjusted for last year's rights issue.

Straits Trading lifts CUB stake to 10%

BY TERRY POVEY

STRAITS TRADING, the Singapore-based trading company, has bought a further 4.6 *per cent stake* in Carlton United Breweries, the leading Australian beer producer. This takes Straits' stake in CUP up to almost 10 per cent.

CUB are currently the subject of a full *takeover bid* from Elders IXL, the Australian pastoral, trading and finance major. Straits has purchased its additional 11.6m shares in the brewer by bidding just above the A$3.82 (US$3.54) per share cash offer from Elders.

Mr John Elliott, managing director of Elders IXL, said in London last week that "an understanding has been reached with the foreign investment company that has been buying CUB shares on the market." This group "will not be an obstacle to Elders reaching the critical 90 per cent mark in its bid" for the brewer. Once this level is achieved, Elders can compulsorily purchase all the outstanding stock and integrate CUB as a fully-owned subsidiary. Elders presently holds about 60 per cent of CUB.

Straits has interests in brewing in both Malaysia and Australasia. There is a close relationship between it and Malayan Breweries, the largest beer producer in Malaysia. Also Straits previously held a minority stake in Swan Brewery of Perth—sold in 1982—and in Leopard Breweries of New Zealand—also sold in 1982.

Straits has paid some A$74m for its 10 per cent stake in CUB.

Mitsui admits Alaska loss

TOKYO—A subsidiary of Mitsui, the Japanese trading house, has pulled out of an Alaskan timber development project, with losses likely to total some Y32bn ($136m), Mitsui said yesterday.

The company, North American Forestry Development, and its wholly owned subsidiary, Kodiak Lumber Mills, filed for bankruptcy in Anchorage on Thursday.

KLM began forestry operations in Alaska in 1972, felling pulpwood and producing woodchips for the Japanese market. However, cost increases resulting from the oil crises of the 1970s hit the project hard almost from the outset.

Kyodo

Banco Hispano-Americano ahead

BANCO Hispano-Americano, Spain's third largest commercial bank, registered a 7.5 per cent increase in pre-tax profits to Pta 13.6bn ($87m) for 1983, compared with Pta 12.6bn in 1982, writes David White in Madrid.

Provisions and set-asides were raised by 18 per cent to Pta 17.5bn, following a 30 per cent reinforcement the previous year. Clients' deposits at the end of the year totalled Pta 1,291bn, an increase *of more* than 17 per cent.

Investments, however, rose by less than 4 per cent to Pta 874bn. This was a result of limitations on the use of resources stemming from the tightening of monetary policy during the year.

Morgan Guaranty in Japan venture

By David Lascelles in Tokyo

MORGAN GUARANTY, the New York Bank, and Nomura Securities, Japan's largest securities house, are seeking apporval for a joint-venture fund management company. The move is yet another challenge to Japan's tightly segmented financial system and follows Citicorp's acquisition of the Tokyo operations of Vickers da Costa.

Like the Citicorp deal, the plan hits at the strict division of functions in the country's finance industry. However, the barrier here is the one separating commercial from trust banking, rather than the Glass-Steagall-type division between commercial banking and securities.

The decision confronting the Finance Ministry is, however, similar. How rigidly should the law be applied, given that the Government is already committed to liberalising the Japanese finance industry, and the big fuss the U.S. is making about foreign access to Japanese financial markets?

A lot hangs on the decision. Three other large U.S. banks, Bank of America, Chemical Bank and Citicorp have announced plans to link up with major Japanese securities houses—respectively Nikko, Yamaichi and Daiwa.

Nothing will probably be decided until next summer but the odds already seem to favour the U.S. banks. The division between commercial and trust banking is much less controversial than that between commercial banking and stockbroking which is seen as a high risk business.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

Abbey Unit Tst. Mngrs. (a)

1-3 St Paul's Churchyard EC4P 4DX. 01-236 1455

[illegible]

Britannia Gp of Unit Trusts Ltd (a) (c) (g)

Salisbury Hse, 31 Finsbury Circus, London, EC2. 01-588 2777. Dealing: 01-638 0478/0479. Britannia Viewpoint 01-673 0046

UK Specialist Funds				
Assets	172.1	185.4	+0.6	5.00
Growth Gilt Trust	50.1	51.0		1.95
Recovery	64.8	69.9	+0.1	3.10
Smaller Cos	89.8	96.8		1.48
Spec. Mkt. Sits.	72.7	78.4	+0.2	1.54
UK Blue Chip	54.9	59.2	−0.1	3.56

[illegible]

Crown Unit Trust Services Ltd.

Crown Life Hse, Woking GU21 1XW. 04862 26933

Crown High Inc. Trust	138.2	149.4	−0.1	6.35
Crown Growth Trust	126.5	136.8	−0.2	3.76

[illegible]

Govett (John) Unit Mngt. Ltd.

Winchester Hse, 77, London Wall, EC2. 588 5620

Govett American	42.9	46.3	+0.1	0.32
Govett Gold & Min	52.0	56.2		2.00

[illegible]

Legal & General (Unit Tst. Mngrs.) Ltd.

5 Rayleigh Rd., Brentwood 0277 217238

Equity Dist.	178.6	184.8	+0.2	2.82
Equity Acc.	251.6	272.0	+0.3	2.82

[illegible]

Midland Bank Group U.T. Mngrs. Ltd.

Courtwood House, Silver Street, Head, Sheffield, S1 3RD. Tel: 0742 79842

Capital	50.5	54.4	−0.1	2.65

[illegible]

Save & Prosper Group

4, Great St. Helens, London EC3P 3EP

68-73 Queen St, Edinburgh EH2 4NX

Dealings 0708-66966 or (Edin.) 031-226 7351

International Funds				
Capital	72.5	78.1	+0.4	1.26
I.T.U.	58.0	62.7		2.93
Select International	584.9	626.3	−2.3	1.21
Univ. Growth	124.3	135.7	+0.3	1.10
Income Funds				
High-Yield	88.4	95.1	+0.6	6.04
Scotyield	82.9	89.2	+0.2	5.57
Smaller Cos. Inc. Fd.	96.9	104.2	+0.2	4.92

[illegible]

Tyndall Managers Ltd.(a)(b)(c)

18, Canynge Road, Bristol. 0272 732241

Australian Securities	77.4	85.4	−0.6	2.52
(Accum. Units)	80.6	86.7	−0.5	2.52
Capital	225.0	240.8	+0.2	3.43
(Accum. Units)	374.8	400.8	+0.4	3.42
Exempt	194.2	208.8	+0.2	6.84
(Accum. Units)	392.6	422.2	+1.4	6.98
Far Eastern	126.2	134.8	−2.3	1.05
(Accum. Units)	131.5	140.5	−2.3	1.05
Fin & Prop.	57.1	33.5		5.79
(Accum. Units)	55.7	40.0		3.78
GIH Capital Trust	106.1	112.3	+0.2	7.57

[illegible]

INSURANCES

[illegible]

MARKET REPORT

Equities remain sensitive at end of difficult week

Index down 27 points over five-day period to 805.4

Account Dealing Dates

Option *First Dealings	Declara-tions	Last Dealings	Account Day
Jan 30	Feb 9	Feb 10	Feb 20
Feb 13	Feb 23	Feb 24	Mar 5
Feb 27	Mar 8	Mar 9	Mar 19

* "New-time" dealings may take place from 9.30 am two business days earlier.

A difficult week for many London equity market traders ended with leading shares still sensitive but tentatively recouping a little of the sharp losses sustained during the initial two-day slump. The abrupt reversal of London's sustained four-month advance to record levels has been completely unexpected and squarely blamed on Wall Street. For many weeks U.S. investors have shown concern about the effects of Government financial policies on the economy's longer-term health.

London and other international markets have ignored these signs until this week. Then the fall in the Dow Jones index to its lowest level since April last year set off a chain reaction in world markets. Potential buyers went to ground quickly and stocks which excited investors in the boom period were soon blown off course. Profit-taking sales have not been especially heavy but sentiment universally has taken a buffeting.

Views that Wall Street is over-reacting to the U.S. Budget deficit and short-term monetary trends yesterday failed to restore confidence here. Leading Industrials moved marginally throughout the session but after the official close went better on demand, without penalty, for the new fortnightly trading Account starting on Monday. Earlier few investors had inquired for "new-time" rates. Last month's fall in UK inflation had little impact on sentiment.

The hourly movements in the FT Industrial Ordinary share index were unspectacular until the close, which was 4.1 up at the day's best of 805.4; this was partly in recognition of Wall Street's better trend early yesterday and partly a reflection of marked firmness in 30-share constituent TI. Recent speculation that a stake was being built up in the leading UK engineering group intensified following rumours of a 6 per cent shareholding changing hands outside of the market; TI rose 14 to 218p. Over the week, the index recorded a fall of 27 points, its biggest fall since mid-October last year.

Favourable futures market indications encouraged renewed support for Gilt-edged securities. Announcement later of January's Retail Prices index also contributed to the firmer tone and, in brisker trading, longer-dated stocks gained ½ or so. The new medium/long tap, £25-paid Exchequer 9¾ per cent 1998, reduced its first-day discount to close at 24½. The shorts made fractional improvements of ⅛.

A fair interest developed in the latest bulldog issue, Province de Quebec 12½ per cent Loan 2020. Following the £50m placing, the stock began life in £25-paid form at 25½ and fluctuated ¼ either side of that level before closing at 25¾.

Royal Bk. of Scotland up

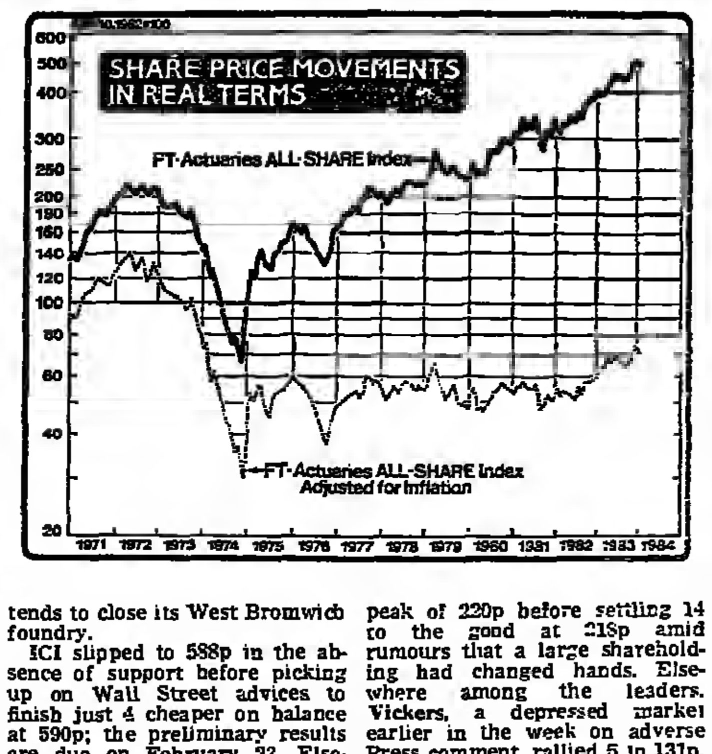
Royal Bank of Scotland attracted renewed speculative support following a Press suggestion that Bank of America might bid and closed a further 6 better and 14 higher on the week at 218p. Elsewhere in the banking sector, the clearers plotted an irregular course in thin trading with sentiment still clouded by fears that the Chancellor might impose a VAT-type tax on financial services in the Budget. Lloyds gave up 7 at 542p, after 540p, but Barclays, which start the dividend season on March 5, improved 5 to 523p. Among merchant banks, Goode Durrant and Murray reflected disappointing results with a decline of 5 to 50p, while Minster Assets rallied 3 to 132p on revived takeover hopes. Hire Purchases were featured by Wagon Finance, up 3 at 50p in response to better-than-expected annual profits.

Providing the only touch of colour in a drab Composite Insurance sector, Phoenix closed 10 better at 450p following revived takeover speculation. Among Lloyds Brokers, Hogg Robinson gave up a few pence more to 160p as hopes faded of a U.S. bid.

CML Microsystems, which staged a highly successful debut in the Unlisted Securities Market on Wednesday, drew fresh support and advanced 17 to 200p; the minimum tender price was 93p and the striking price 130p.

Fears of increased excise duties in the Budget continued to deter support of Breweries. Bass cheapened 3 to 300p and Greene King 4 to 146p, while Vaux relinquished 3 to 204p.

Leading Buildings fluctuated narrowly and closed with small irregular movements. Blue Circle slipped a couple of pence to 413p, but RMC, under considerable pressure recently, rallied 5 to 415p. Contracting and Construction issues attracted selective support. Higgs and Hill, 334p, and John Mowlem, 226p, both added 4. Buying ahead of the preliminary results, due on February 23, lifted Ward Holdings Ordinary 6 to 75p and the Deferred 3 to 67p, but poor half-year figures left Wiggins Group 2 easier at a 1983-84 low of 63p. Milbury attracted fresh speculative interest and rose 11 to 90p. Brickhouse Dudley softened a penny to 48p; the company intends to close its West Bromwich foundry.



ICI slipped to 588p in the absence of support before picking up on Wall Street advices to finish just 4 cheaper on balance at 590p; the preliminary results are due on February 23. Elsewhere, Amersham International remained out of favour and shed 8 more to 213p, but Laporte, down to 358p, initially, met with late support and closed a net 3 dearer at 363p.

Stylo plunged 38 more to close the week 65 down at 270p as speculators continued to liquidate bull positions on the assumption that Harris Queensway's 325p per share cash bid is doomed to failure.

An active and rising market earlier in the week on rumours of a dawn raid, Graftan returned to prominence in Stores, adding 6 at 82p on talk of U.S. interests building up a stake prior to launching a full-scale bid. W.H. Smith A firmed 4 to 134p ahead of Wednesday's interim figures, while a similar improvement was seen in Ladies Pride, 49½p. Awaiting further news of the H. Samuel bid discussions, James Walker softened a penny to 142p and the non-voting eased 3 to 113p.

Trading in the Electrical leaders was relatively quiet, but most quotations showed modest gains at the close. GEC finished 4 to the good at 182p and Plessey a couple of pence better at 206p. Cable and Wireless, up 15 more at 317p, rallied afresh after successfully gaining control of Hong Kong Telephone. Munford and White, in contrast, weakened 10 more to 150p for a two-day loss of 45 on the profits warning. Sound Diffusion revived with a rise of 6 to 136p, while Atlantic Computer were noteworthy for a gain of 15 at 430p.

Engineers were highlighted by TI which touched a new 1983-84 peak of 220p before settling 14 to the good at 218p amid rumours that a large shareholding had changed hands. Elsewhere among the leaders, Vickers, a depressed market earlier in the week on adverse Press comment, rallied 5 to 131p. Interest in secondary issues was at a low ebb, but Porter Chadburn, up 21 at 95p, on the bid approach from GM Firth helped to enliven proceedings.

Beecham above worst

Among Foods, Bio-Isolates slipped to 103p before late support left the close a net 2 dearer at 110p; the preliminary results are due next Tuesday. Paterson Jenks firmed 5 to 175p largely on the efforts of a single buyer. On the bid front, Bassett hardened 3 to 155p; Avana's share-exchange offer is currently worth 142p per Bassett share. The leaders, easier during the House session, steadied after-hours and some eventually managed modest improvements. Tesco improved 3 to 169p and Unigate hardened a couple of pence to 118p.

Grand Metropolitan continued to respond to an investment recommendation and put on 10 for a two-day gain of 18 to 348p. Trusthouse Forte added 3 to 204p on dividend buying. Ladbroke, a rising market recently on takeover hopes, encountered profit-taking and eased a couple of pence but, at 239p, retained a gain on the week of 14. Prince of Wales Hotels, up 23 on Thursday following Taddale Hotel's 130p per share cash offer for the company, slipped a couple of pence to 138p.

Unsettled by a report that the price of the company's drug Amoxil is to be reduced by around 40 per cent in Japan caused selling of Beecham, which fell away to 287p before closing above the worst at 295p, down 8 on the day. Other leading Miscellaneous Industrial closed with small mixed movements after a rather uncertain trading session. Glaxo ended 5 cheaper at 750p, after 745p, while Bowater settled only a couple of pence down at 260p, after 257p. Elsewhere, Aero Needles featured a late rise of 10 to 85p on the agreed counter-bid of 86.5p cash per share from Coats Patons; Newell Companies Inc originally offered 60p per share. British Aerospace, an unsettled market of late on doubts about Government aid for the A320 European Airbus, rallied 6 to 223p. Favourable Press mention left Avon Rubber 4 to the good at 144p, while Gripperrods responded to the good interim results with a rise of 5 to 143p. D. Macpherson encountered support ahead of the preliminary figures, due shortly, and put on 3½ to 54p, but end Account profit-taking clipped 9 from UKO International, at 128p. Cornell were good again at 290p, up 13. Demand revived for Wedgwood, 7 dearer at 124p, and VW Thermax, a similar amount up at 167p. Bid speculation continued in W. Canning, up a penny at 105p, after 105p.

Some noteworthy features emerged in the recently-idle Motor sectors. York Trailer, subject of a newsletter recommendation last Monday, touched 41p before settling a net 3 better on the day and 14 up on the week at 40p. Fresh bid speculation stimulated gains of 5 in Harold Perry, 82p, and of 3 in H. and J. Quick, 55p, the latter for a five-day rise of 11. Components featured Aerospace Engineering, which dipped to 45p before settling a net 5 off at 50p following the sharp slump in first-half profits. Renewed institutional demand lifted Lucas 4 to 212p.

Renewed support was forthcoming for British Printing, 156p, and United Newspapers, 316p, which rose 8 and 11 respectively. Elsewhere, Fleet Holdings softened a penny to 177p; the interim figures are due on Tuesday.

Stylo drop

Leading Properties drifted back from slightly higher opening levels to close modestly lower. Land Securities settled 3 cheaper on balance at 249p, after 254p, and MEPC finished a couple of pence off at 250p, also after 254p. On the other hand, Peachey retained an initial gain of 3 at 187p, while British Land hardened a penny to 113p; the latter has issued a £15m Debenture stock following the £8.5m acquisition of Argent House, Finsbury Square, London. Elsewhere, Bairstow Eves attracted "new - time" buying and hardened a penny to 80p, while Stockley returned to favour at 65p, up 3.

Comment on the marked acceleration in second-half profits and the group's first dividend increase since 1979 helped Imps rise 3 more for a two-day gain of 8 at 157p. Elsewhere in Tobaccos, Rothmans International hardened a couple of pence to 115p, but Bats lost the turn at 180p.

In a colourless Textile sector, Courtaulds edged forward a penny to 136p, but Harold Ingram lost 10 to 405p. Financial Trusts had Silvermines 5 better at 135p following acquisition news. Hampton Trust revived with an improvement of 1½ to 31p and R. P. Martin added 10 to 260p.

Oils dip and rally

Conditions in the Oil sector remained extremely sensitive. The fresh outbreak of a petrol price cutting war, most majors have reduced petrol by 4p a gallon, made for dullness early on, but quotations gradually recovered. Helped by Wall Street advices later, most finished only a shade easier on balance. British Petroleum closed a couple of pence off at 418p, after 412p, while Ultramar settled 5 lower on balance at 640p, after 635p. Shell, down to 595p, initially, rallied to 600p, but still ended 48 down on the week. Britoil closed without alteration at 233p, after 227p.

Irish exploration issues were also volatile. Atlantic Resources dipped to 510p on fears that the company would have to seek fresh drilling funds before steadying to close a net 20 down at 540p. Aran finished 4 lower at 69p. Elsewhere, Invent Energy jumped 37 to 360p on Paris Basin exploration hopes. Berkeley Exploration gained 7 to 125p on news that Bristol Oil and Minerals, 8 up at 62p, had increased its stake in the company to 11.51 per cent.

Comment on the bumper annual results induced renewed support for Lonrho which closed 6 higher at 136p.

Golds quietly mixed

Once again, mining markets were overshadowed by domestic equities and finished the Account on a subdued note. South African Golds took the death of Soviet leader Yuri Andropov calmly and closed with modest gains for choice, although trade was again described as exceptionally thin.

Bullion, down to $377.65 per ounce at the afternoon fix, recovered to close a net $5 lower at $378.50 per ounce.

Among leading heavyweights, Vaal Reefs rose ½ to £84½, while smaller gains were recorded in Southvaal, £43½, and Western Deep, £38¾. All will be quoted ex-dividend on Monday.

Among cheaper-priced issues, South African Land dipped to 460p, but rallied to finish 3 dearer on balance at 477p. ERGO, 524p, recovered Thursday's fall which followed the proposed R35m rights issue in Convertible Debentures. In contrast, Grootvlei gave up 19 at 964p, while the veteran Simmer and Jack closed 18 off at 350p.

The Gold Mines index eased 1.6 to 595.3.

Platinums trended to lower levels with Rustenburg 10 cheaper at 785p. Impala, scheduled to announce first-half results next Monday, shed 5 at 930p. The antimony/gold producer Consolidated Murchison eased 12 to 810p.

London-domiciled Financials responded to steady support and settled at the day's best with Charter 3 up at 228p and Consolidated Gold Fields 5 better at 552p. RTZ firmed 6 but still retained a fall on the week of 44, at 643p. South Africans, on the other hand, showed "Amgold" another 1½ off at £77½. De Beers shed 5 to 595p.

Australians were also irregular. Easier initially in sympathy with overnight Sydney and Melbourne markets, selected counters steadied on London support for the new Account. In Golds, Central Norseman firmed 5 to 393p, while Southern Resources, subject of UK "call" option business recently, advanced 9 to 126p. Leading diversified issues closed with small losses as in Western Mining, 3 cheaper at 271p, and CRA, 2 off at 386p.

Elsewhere, Homestake remained unimpressed by the fourth-quarter figures and shed ¾ more to £20¾.

Traded Options finished the week on a bright note with 4,803 contracts struck; the week's daily average amounted to 3,916. Lonrho attracted a substantial business in the wake of the annual results with 1,031 calls transacted, 347 in the February 130's which doubled to 7p. Esso calls also attracted 491 puts, 335 in the May 130's. Elsewhere, Beecham sprang to life and recorded 450 calls, 185 in the March 330's and 93 puts. A lively trade developed in Imperial Group with 165 calls and 151 puts done.

FINANCIAL TIMES STOCK INDICES

	Feb. 10	Feb. 9	Feb. 8	Feb. 7	Feb. 6	Feb. 3	Year ago
Government Secs	82.49	82.37	82.37	82.55	82.72	83.91	78.80
Fixed Interest	87.13	87.15	87.16	87.29	87.39	87.26	80.83
Industrial Ord.	805.4	801.3	803.0	799.2	816.5	832.4	663.8
Gold Mines	595.3	596.9	604.7	583.7	579.2	597.7	711.3
Ord. Div. Yield	4.51	4.51	4.49	4.51	4.43	4.35	4.61
Earnings, Yld.% (full)	9.51	9.49	9.45	9.51	9.34	9.16	8.96
P/E Ratio (net) (*)	12.87	12.88	12.94	12.88	13.10	13.38	12.09
Total bargains	24,151	23,513	24,828	24,007	25,675	28,006	24,088
Equity turnover £m.	—	294.73	299.39	327.43	269.10	301.18	233.84
Equity bargains	—	20,098	19,782	27,787	26,563	20,993	20,877
Shares traded (ml)	—	167.0	147.4	176.9	153.0	165.1	187.8

10 am 801.9. 11 am 803.4. Noon 800.7. 1 pm 799.8. 2 pm 800.0. 3 pm 800.4.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.
Latest Index 01-246 8026. *Nil=12.08.

HIGHS AND LOWS / S.E. ACTIVITY

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	85.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.47 (30/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	840.5 (25/1/84)	598.4 (12/1/83)	840.5 (25/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.5 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

	Feb. 9	Feb. 8
Daily Gilt Edged Bargains	147.9	160.0
Equities Bargains	130.2	137.8
Value	595.7	605.1
5-day Average Gilt Edged Bargains	162.5	164.8
Equities Bargains	138.9	141.1
Value	605.1	631.0

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983 based on Thursday, February 9, 1984.

Office Equipment	+19.09	All-Share Index	+2.29
Overseas Traders	+9.88	Investment Trusts	+2.20
Newspapers, Publishing	+9.29	Health and H'sehold Products	+2.17
Discount Houses	+7.86	500 Share Index	+2.16
Mining Finance	+7.74	Capital Goods	+1.84
Contracting, Construction	+7.37	Consumer Group	+1.81
Textiles	+7.31	Financial Group	+1.78
Packaging and Paper	+6.87	Industrial Group	+1.48
Mechanical Engineering	+6.64	Other Industrial Materials	+0.91
Motors	+6.49	Electricals	+0.73
Insurance (Life)	+6.03	Insurance Brokers	+0.53
Oils	+5.71	Insurance (Composite)	+0.51
Metals and Metal Forming	+5.63	Other Groups	−0.27
Banks	+5.55	Food Retailing	−1.39
Building Materials	+3.91	Stores	−1.47
Brewers and Distillers	+3.80	Other Consumers	−1.76
Shipping and Transport	+3.76	Electronics	−2.24
Gold Mines Index	+3.68	Property	−2.78
Food Manufacturing	+2.75	Merchant Banks	−3.86
Leisure	+2.67	Chemicals	−4.97
Tobaccos	+2.56		

OPTIONS

First Deal-ings	Last Deal-ings	Last Declara-tion	For Settle-ment
Feb 6	Feb 17	May 10	May 21
Feb 20	Mar 2	May 31	June 11
Mar 5	Mar 16	June 14	June 25

For rate indications see end of Share Information Service

Call options were taken out in Grovebell, Brengreen, Stylo, Ladbroke, North Kalgurli Options, UKO Barker and Dobson, London Investment Trust, GRA, Bristol Oil and Minerals, Mersey Docks and Suter. No puts were reported, but a double was transacted in Fleet Holdings.

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (36)

BRITISH FUNDS (6)
Exchqr. 3pc 1984; Exchqr. 2½pc 1987; Treas. 11½pc 1985; Exchqr. 10pc 1989; Exchqr. 2½pc 1986; Exchqr. 13¼pc 1996
CORPORATION LOANS (2)
Herts. 6½pc 1985-87; London Corp. 6½pc 1988-90
AMERICANS (1)
Golf Corp.
BUILDINGS (1)
Ward Hldgs. Dfd.
STORES (3)
Liberty; Do. N-V; Ward White
ELECTRICALS (1)
Newman Inds. 10pc Com. Cnv. Red. Pf.
ENGINEERING (4)
Aurora; S.K.F. AB; Elliott (B.); Stothert & Pitt
INDUSTRIALS (5)
Aero Needles; Kleen-E-Ze; Cornell; Rotork
MOTORS (2)
York Trailer; Quick, H. & J.
PAPER (1)
Brit. Printing
TEXTILES (1)
Courtaulds 7pc Deb. 1983-87
TRUSTS (1)
Camellia Invs.
OILS (3)
Berkeley Exploration; Invent Energy; Brunswick Oil
OVERSEAS TRADERS (2)
Lonrho; Mitchell Cotts
PLANTATIONS (1)
Bertam Hldgs.
MINES (2)
Emperor Mines; Sungei Besi

NEW LOWS (12)

BREWERS (2)
Greene King; Morland
BUILDINGS (2)
Meanders (John); Wiggins Group
STORES (1)
De Brett (Andre)
ELECTRICALS (3)
Maltone Elects.; Munford & White; Beecham
MOTORS (1)
Aerospace Eng.
TRUSTS (1)
North Sea Assets
OILS (1)
Edinburgh Secs.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Fri Feb 10 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Feb 9 Index No.	Wed Feb 8 Index No.	Tue Feb 7 Index No.	Mon Feb 6 Index No.	Year ago (approx.) Index No.	1983-84 High	1983-84 Low	Since Compilation High	Since Compilation Low
1 CAPITAL GOODS (205)	478.99	+0.8	8.88	3.72	14.59	475.37	479.55	478.87	488.62	452.37	498.27 (19/1/84)	413.64 (27/1/83)	498.27 (19/1/84)	50.71 (13/12/74)
2 Building Materials (25)	465.00	+0.1	11.01	4.60	11.31	464.75	468.35	468.26	472.98	438.66	478.34 (30/1/84)	402.34 (1/1/83)	478.34 (30/1/84)	44.27 (11/12/74)
3 Contracting, Construction (32)	731.12	—	12.96	4.89	9.63	731.19	731.54	731.73	742.41	794.28	831.09 (15/3/83)	654.09 (25/10/83)	831.09 (15/3/83)	71.48 (2/12/74)
4 Electricals (15)	1670.01	+0.7	7.34	4.05	17.32	1658.67	1684.52	1685.00	1711.51	1693.41	1909.93 (3/6/83)	1523.07 (27/1/83)	1909.93 (3/6/83)	84.71 (25/6/62)
5 Electronics (24)	1632.39	+1.4	8.67	2.26	15.14	1609.69	1624.76	1620.96	1656.82	0.00	1755.12 (19/1/84)	1609.69 (9/2/84)	1755.12 (19/1/84)	1609.69 (9/2/84)
6 Mechanical Engineering (64)	229.13	+1.0	10.26	4.95	12.05	226.93	230.00	228.06	234.18	211.44	238.08 (30/1/84)	184.50 (18/10/83)	238.08 (30/1/84)	45.43 (6/1/75)
8 Metals and Metal Forming (9)	188.58	+0.3	8.74	6.22	14.93	188.06	190.35	190.18	196.40	170.78	199.67 (25/1/84)	147.60 (4/1/83)	199.67 (25/1/84)	49.65 (6/1/75)
9 Motors (17)	132.50	+0.5	1.42	4.09	—	131.90	132.93	132.94	136.77	87.75	136.77 (6/2/84)	76.73 (24/1/83)	170.59 (15/1/69)	19.91 (6/1/75)
10 Other Industrial Materials (19)	611.21	+0.3	5.13	3.64	26.49	609.55	612.39	616.03	628.09	415.90	635.61 (3/2/84)	362.82 (1/1/83)	635.61 (3/2/84)	277.55 (15/1/81)
21 CONSUMER GROUP (196)	470.51	—	10.44	4.31	11.71	470.34	474.12	471.20	480.56	425.39	494.21 (25/1/84)	395.44 (12/1/83)	494.21 (25/1/84)	61.41 (13/12/74)
22 Brewers and Distillers (23)	459.75	+0.7	13.10	5.23	9.44	456.60	456.63	451.84	460.78	481.38	486.54 (15/2/83)	413.82 (17/10/83)	486.54 (15/2/83)	69.47 (13/12/74)
25 Food Manufacturing (22)	377.32	-0.1	12.73	5.44	9.15	377.72	382.01	379.52	386.21	348.29	399.42 (26/1/84)	318.68 (23/5/83)	399.42 (26/1/84)	59.67 (11/12/74)
26 Food Retailing (12)	1057.23	-0.1	7.86	2.76	16.38	1058.76	1068.14	1064.17	1086.63	873.05	1124.08 (6/1/84)	815.37 (30/3/83)	1124.08 (6/1/84)	54.25 (11/12/74)
27 Health and Household Products (9)	717.15	-1.4	6.57	3.07	17.89	727.08	731.18	733.52	747.74	738.45	879.98 (18/4/83)	663.01 (1/1/83)	879.98 (18/4/83)	175.38 (28/5/80)
29 Leisure (23)	633.63	+0.3	8.73	4.46	14.75	631.99	636.04	627.95	639.51	513.40	661.90 (25/1/84)	451.80 (12/1/83)	661.90 (25/1/84)	54.83 (9/1/75)
32 Newspapers, Publishing (15)	1204.24	+1.3	7.85	3.92	15.21	1188.68	1201.25	1200.86	1220.28	729.75	1227.16 (27/1/84)	619.26 (4/1/83)	1227.16 (27/1/84)	55.08 (6/1/75)
33 Packaging and Paper (15)	233.59	-0.3	10.55	4.28	11.71	234.20	236.53	234.28	241.42	168.06	245.50 (30/1/84)	139.78 (4/1/83)	245.50 (30/1/84)	43.46 (6/1/75)
34 Stores (47)	423.42	+0.3	8.12	3.67	16.72	421.98	426.84	423.16	431.39	361.31	447.68 (16/1/84)	342.40 (24/1/83)	447.68 (16/1/84)	52.63 (6/1/75)
35 Textiles (19)	268.72	+0.5	11.31	4.45	10.24	267.38	272.52	269.96	278.37	195.26	284.78 (1/2/84)	171.44 (1/1/83)	284.78 (1/2/84)	62.66 (11/12/74)
36 Tobaccos (3)	533.15	+0.2	19.29	6.15	5.86	532.00	535.38	533.19	542.07	506.36	579.66 (18/1/84)	395.33 (10/8/83)	579.66 (18/1/84)	94.34 (13/6/62)
39 Other Consumer (8)	454.58	+1.1	11.19	5.80	—	449.42	458.25	461.14	470.77	373.31	485.72 (30/1/84)	334.21 (1/1/83)	485.72 (30/1/84)	229.84 (28/9/81)
41 OTHER GROUPS (83)	422.71	+0.3	7.88	4.24	16.04	421.33	426.01	422.85	432.72	320.42	445.25 (30/1/84)	288.55 (12/1/83)	445.25 (30/1/84)	58.63 (6/1/75)
42 Chemicals (16)	597.35	-0.3	7.41	4.27	17.87	598.85	603.92	596.25	609.50	419.09	646.55 (18/1/84)	379.93 (12/1/83)	646.55 (18/1/84)	71.20 (1/12/74)
44 Office Equipment (5)	130.42	+0.2	6.69	5.68	20.64	130.16	132.04	131.91	135.33	104.44	135.33 (6/2/84)	80.95 (1/1/83)	246.06 (1/9/72)	45.34 (2/1/75)
45 Shipping and Transport (14)	840.66	+0.2	7.55	4.83	17.90	838.57	847.33	836.96	860.32	570.47	885.55 (30/1/84)	520.64 (4/1/83)	885.55 (30/1/84)	90.80 (29/6/62)
46 Miscellaneous (48)	549.57	+0.9	8.51	3.92	14.08	544.74	551.99	550.80	563.51	454.55	577.77 (30/1/84)	409.35 (12/1/83)	577.77 (30/1/84)	60.39 (6/7/75)
49 INDUSTRIAL GROUP (484)	471.04	+0.3	9.53	4.11	13.12	469.55	473.67	471.38	481.06	421.18	491.98 (25/1/84)	391.26 (12/1/83)	491.98 (25/1/84)	59.01 (13/12/74)
51 Oils (16)	995.35	-0.4	11.21	5.95	10.84	999.57	1020.05	1009.25	1017.10	748.90	1078.77 (27/1/84)	693.52 (28/2/83)	1078.77 (27/1/84)	87.23 (29/5/62)
59 500 SHARE INDEX	514.95	+0.2	9.80	4.41	12.68	513.95	519.46	516.45	525.98	448.29	540.65 (27/1/84)	419.14 (12/1/83)	540.65 (27/1/84)	63.49 (13/12/74)
61 FINANCIAL GROUP (121)	375.23	-0.2	—	5.21	—	375.96	378.85	377.42	383.81	302.57	395.23 (30/1/84)	267.24 (4/1/83)	395.23 (30/1/84)	55.88 (13/12/74)
62 Banks (6)	396.29	+0.3	21.67	6.47	5.01	395.00	394.31	389.52	392.66	306.73	425.91 (25/1/84)	273.48 (4/1/83)	425.91 (25/1/84)	62.44 (12/12/74)
63 Discount Houses (8)	404.56	+0.1	—	6.97	—	404.23	405.41	406.28	411.96	290.81	439.93 (23/1/84)	270.71 (31/1/83)	439.93 (23/1/84)	81.40 (10/12/74)
65 Insurance (Life) (9)	533.82	-0.7	—	4.22	—	537.76	544.29	544.13	552.69	380.62	557.44 (3/2/84)	332.67 (12/1/83)	557.44 (3/2/84)	44.88 (2/1/75)
66 Insurance (Composite) (9)	248.68	-0.4	—	6.67	—	249.71	254.13	254.56	258.37	202.40	265.31 (16/1/84)	174.73 (4/1/83)	265.31 (16/1/84)	43.96 (13/12/74)
67 Insurance Brokers (6)	646.61	-0.4	10.58	4.45	13.02	649.06	653.05	646.42	662.41	573.61	692.14 (9/1/84)	489.98 (1/1/83)	692.14 (9/1/84)	65.86 (16/12/74)
68 Merchant Banks (12)	236.00	+0.2	—	4.02	—	235.50	237.45	236.90	243.25	166.69	251.21 (30/1/84)	152.21 (1/1/83)	278.57 (1/5/72)	31.21 (7/1/75)
69 Property (53)	520.77	-0.4	5.71	3.81	23.47	522.71	526.57	526.27	534.32	465.36	559.87 (6/1/84)	410.37 (12/1/83)	559.87 (6/1/84)	56.01 (20/4/65)
70 Other Financial (18)	266.00	—	10.44	5.16	11.47	266.13	268.21	267.03	275.21	233.87	283.65 (30/1/84)	183.23 (4/1/83)	303.18 (18/5/72)	33.29 (17/12/74)
71 Investment Trusts (107)	492.92	—	—	3.63	—	493.09	499.32	500.00	510.06	408.99	516.14 (26/1/84)	358.26 (1/1/83)	516.14 (26/1/84)	71.63 (13/12/74)
81 Mining Finance (4)	304.70	+0.9	8.65	4.79	14.19	301.85	306.35	304.65	312.40	278.63	330.44 (22/8/83)	236.76 (1/1/83)	330.44 (22/8/83)	66.31 (30/9/74)
91 Overseas Traders (15)	559.47	+1.7	8.87	6.69	14.64	550.29	553.46	545.29	556.81	448.01	568.48 (31/1/84)	387.81 (4/1/83)	568.48 (31/1/84)	97.37 (6/1/75)
99 ALL-SHARE INDEX (747)	481.97	+0.1	—	4.53	—	481.26	486.24	483.75	492.68	413.08	504.73 (27/1/84)	382.22 (1/1/83)	504.73 (27/1/84)	61.92 (13/12/74)

FIXED INTEREST

PRICE INDICES	Fri Feb 10	Day's change %	Thur Feb 9	xd adj. today	xd adj. 1984 to date
British Government					
1 5 years	118.42	+0.14	118.25	—	1.17
2 5-15 years	130.88	+0.34	130.57	—	1.63
3 Over 15 years	141.07	+0.51	140.36	—	0.19
4 Irredeemables	151.27	—	151.27	—	—
5 All Stocks	129.94	+0.33	129.50	—	1.17
6 Debentures and Loans	108.74	+0.16	108.58	—	[illegible]
7 Preference	82.32	-0.10	82.40	—	0.31

AVERAGE GROSS REDEMPTION YIELDS		Fri Feb 10	Thur Feb 9	Year ago (approx.)	1983-84 High	1983-84 Low
British Government						
1 Low Coupons	5 years	9.73	9.75	9.84	10.18 (11/8/83)	8.69 (5/1/83)
2	15 years	10.22	10.26	10.58	10.91 (24/1/83)	9.62 (22/11/83)
3	25 years	9.85	9.87	10.80	11.13 (31/1/83)	9.47 (13/6/83)
4 Medium Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
7 High Coupons	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
9	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
10 Irredeemables		9.81	9.81	[illegible]	[illegible]	[illegible]
11 Debs. & Loans	5 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	15 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	25 years	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14 Preference		12.07	12.06	[illegible]	[illegible]	[illegible]

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Electronics	30/12/83	1646.65	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	128.20	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
NAME CHANGE: Alliance Investment is now F & C Alliance Investment.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	73	4	26	110	234	171
Corpns, Dom. and Foreign Bonds	11	4	64	41	27	327
Industrials	291	281	840	1,007	2,525	3,528
Financial and Props.	79	157	288	295	1,060	1,255
Oils	31	33	57	108	227	270
Plantations	2	6	12	7	26	67
Mines	45	42	84	217	325	313
Others	54	53	61	186	386	260
Totals	586	580	1,430	1,971	4,822	6,191

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Atlantic Resources	540	−20	Ladbroke	239	−2
Beecham	295	−8	London Brick	155	—
BP	419	−2	Porter Chadburn	95	+21
Burmah Oil	180	—	Shell Transport	600	−2
Grattan	82	+6	Stylo	270	−38
ICI	590	−4	TI	218	+14

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
BTR	24	415	—	Princ Wales Htl	19	140	+22
Pict Petroleum	22	158	—	Stylo	19	308	−22
Evode	21	133	+5	Cornell	17	277	+8
Shell Trans.	21	602	−13	London Brick	17	155	+3
Ladbroke	20	241	+3	GEC	17	178	+3
BTR	19	[illegible]	[illegible]	ICI	16	594	−2
UKO Intnl.	19	137	−3	Imperial Group	15	154	+3
Grand Met.	18	338	+8				

4-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
RTZ	102	637	−26	Cable Wireless New	73	131	−4
BOC	97	250	−21	Stylo	71	308	−15
Shell Trans	99	602	−43	[illegible]	70	420	[illegible]
ICI	89	594	−24	BP	70	421	−15
BTR	86	415	−8	Racal Elect.	70	[illegible]	[illegible]
GEC	84	178	−8	UKO Intnl	70	137	−17
Prudential	75	504	+4	Pict Petroleum	68	158	−12
Grand Met	74	338	[illegible]				

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −	Net Div.	Times Covered	Gross Yield	P/E Ratio
[illegible]	F.P.	—	[illegible]	[illegible]	Assoc. EnergySer. 5p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Brit. Petroleum	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Cable & Wireless 50p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Circaprint Hldgs 10p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Gibbs Mew	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Grosvenor Sq. Pp. 10p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Murray F. Mall'tg Inv. 10p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Stockley 10p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Syntapharm 10p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Unibond	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	G Instruments 10p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Valin Pollen Intl. 5p	[illegible]					
[illegible]	F.P.	—	[illegible]	[illegible]	Welpac 10p	[illegible]					

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
[illegible]	F.P.	—	[illegible]	[illegible]	Allied Textile 10¾% Cnv. Uns. Ln. 1995	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Atlanta Inv. Tst. 7% Cnv. Red. Cum. Prf.	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	BAT Inds. 12¼% Uns. Ln. 2003/08	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Int. Bk. for Rec. & Dev. 11½% Ln. 2003	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Kensington & Chelsea 11½% Red. Stk. 2008	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Lon. Shop Prop. 9pc Cnv. Uns. Ln.	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	MEPC 10¾pc 1st Mort. Deb. 2024	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Nationwide 10¼% Bds.	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Province de Quebec 12½% Ln. 2020	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Rochdale Met. Bor. 11.10% Red. 2006	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Slough Ests. 11¾% 1st Mort. Deb. 2013	[illegible]	
[illegible]	F.P.	—	[illegible]	[illegible]	Spain 12¾% Ln. 2010	[illegible]	

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −
500	Nil	[illegible]	[illegible]	400	Carlton Communications 5p	410	
[illegible]	Nil	[illegible]	[illegible]	[illegible]	East Dagga Linked Units	[illegible]	
180	F.P.	[illegible]	[illegible]	[illegible]	Ellis & Everard	[illegible]	
32	F.P.	[illegible]	[illegible]	[illegible]	Herman Smith 10p	[illegible]	
32	F.P.	[illegible]	[illegible]	[illegible]	Jones (Edward) 10p	[illegible]	
20	F.P.	[illegible]	[illegible]	[illegible]	Meggitt 5p	[illegible]	
350	Nil	[illegible]	[illegible]	[illegible]	Sketchley	[illegible]	

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. Q Gross. T Pence unless otherwise indicated. ‡ Issued by tender. || Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take-over. ||| Allotment letters (or fully-paid). ● Unlisted Securities Market. ‡ Placing price.

Overseas Inv.	—	163.8	.....	—
UK Inv.	—	308.1	.....	—
Deposit	—	193.3	.....	—
Man. Pen. 3-W	—	364.8	.....	—
Equity Pen.	—	551.2	.....	—
Bond Pen.	—	353.2	.....	—
Prop. Pen.	—	186.2	.....	—
Dep. Pen.	—	253.6	.....	—
New Series				
U.K. Equity	158.2	166.6	.....	—
Nth. American Eq.	142.6	150.2	.....	—
Far East Eq.	199.4	209.9	.....	—
Fixed	137.7	145.0	.....	—
Cash Deposit	105.8	111.4	.....	—
Property	100.6	105.9	.....	—
Special Opp.	183.7	193.4	.....	—
Managed	156.9	165.3	.....	—
Index Linked Fund	103.5	109.0	.....	—
Pension New Series				
UK Equity	150.9	156.9	.....	—
(Accum Units)	159.4	167.8	.....	—
North American	140.4	147.8	.....	—
(Accum Units)	148.3	156.2	.....	—
Far Eastern Equity	190.7	200.8	.....	—
(Accum Units)	201.5	212.2	.....	—
Fixed Interest	131.9	138.9	.....	—
(Accum Units)	139.3	146.7	.....	—
Cash Deposit	104.1	109.6	.....	—
(Accum Units)	110.0	115.8	.....	—
Property	98.6	103.8	.....	—
(Accum Units)	104.2	109.7	.....	—
Index-Linked	100.8	106.2	.....	—
(Accum Units)	106.5	112.2	.....	—
Managed	152.1	160.2	.....	—
(Accum Units)	160.7	169.2	.....	—

Vanbrugh Life Assurance
41-43 Maddox St., Ldn. W1R 9LA 01-499 4923

Managed Fd.	291.2	306.6	−0.3	—
Equity Fd.	522.5	550.1	−0.9	—
Intnl. Fd.	215.6	227.0	−1.3	—
Fixed Int. Fd.	266.0	280.1	+1.0	—
Prop. Fd.	214.6	225.9	.....	—
Cash Fd.	179.7	189.2	.....	—

Vanbrugh Pension Limited
41-43, Maddox St., Ldn., W1R 9LA 01-499 4923

Managed	247.1	260.2	−0.3	—
Equity	314.3	330.9	−0.7	—
Global Equity	98.8	104.1	−0.5	—
Fixed Interest	223.0	234.8	+0.8	—
Property	193.6	203.8	.....	—
Index Linked Gilt	105.3	110.9	−0.1	—
Guaranteed	8.93	—	.....	—
International Money	120.3	126.7	−0.1	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	165.5	174.2	.....	—
Accum. Pen. Units	291.2	306.6	.....	—
Flex. Inv. Growth	162.5	171.1	.....	—

Continued on adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adirenta	DM22.53	23.90	+0.01	—
Adiverba	DM76.90	80.75	−0.45	—
Fondak	DM37.91	39.81	−0.05	—
Fondis	DM33.07	34.72	−0.27	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	$224.03	227.99	−18.0	1.71

Next dealing February 24

For Allen Harvey & Ross see Cater Allen

Alliance International Dollar Reserves now Alliance Capital Management International

See adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

Andover Futures Ltd. (Adv: Thonste)
c/o Mil.: Bank of Bermuda 809-295 4000

NAV Sept 30		$71.25	.....	—

Arbuthnot Securities (C.I.) Ltd. (z)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (z)	$1.013	1.051	.....	11.31
Govt. Secs. Tst.	80.6	84.4	+0.3	11.85
Yen Bond*	200.0	208.0	.....	5.77
Sterling Fd.†	161.8	161.9	.....	0.31
East Intl & Engy*	196.9	210.6	.....	0.59

Next dealg. *February 16. †February 15.

B.I.A. Bond Investments AS
10, Baarerstrasse CH6301, Zug, Switzerland

Bever Sld Jan 20	SF10.735	11.300	.....	—

Baerbank (Overseas) Ltd.
Butterfield House, Grand Cayman

Liquidator J. Baer $Fd.	1,147	1,146	+2.0	—

Wardley Nikko As. Fd	$28.21	29.97	.....	5.01
Wardley Bond Trust	$10.45	11.00	.....	0.45
Wardley Japan Trust	$30.55	32.28	.....	0.45
Wardley Priv Cap Tst	$9.83	10.39	.....	—

WestAvon Secs (Guernsey) Ltd
PO Box 304, St Peter Port, Guernsey 0481 27963

Gilt & Option Fd	£1.19	1.25	.....	2.50
US $ Option	$1.05	1.10	.....	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$12.53		−0.07	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	24.0	25.0	.....	—
Chinese Fund	60.9	63.4	−1.9	—
Precious Metal Fund	126.5	131.7	.....	—
Vanguard Cmdy. Fd.	34.6	35.5	.....	—
Financial Futures Fd.	60.8	63.3	−0.4	—
Wren Intl. Fnd.*	$0.731	0.761	+0.12	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. Z Previous day's price. ¶ Guernsey gross. ∅ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rate of NAV increase.

FT LONDON SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
104⅛	100	Exchequer 14pc. 1984	101	–	13.84	9.39
98	92½	Exch. 3pc 1984	98	+⅛	3.06	8.87
102	100	Treasury 12pc 1984	101⅛	.....	11.69	9.53
107	104	Treasury 15pc 1985	105 xd	–	14.26	9.56
107	101	Exch. 12pc Cnv. '85	102	–	11.71	9.60
94	88⅝	Treasury 3pc 1985	94	.....	3.18	7.78
102½	99⅜	Treasury 11½pc 1985	102	+	11.29	9.70
102	95	Treas 8¾pcCnv '85	99⅛	+	8.83	9.39
103¾	100⅛	Exch. 12¼pc 1985	103⅜	+	11.85	10.07
102	99	Exch. 11¾pc '86	102 xd	+	11.43	10.17
102¼	97¼	Treas 10pc Cnv 1986	100	+¼	9.46	9.73
89⅛	85⅜	Treasury 3pc 1986	89	.....	3.36	8.26
101	97	Exch. 10½pc Cv '86	100	+⅛	10.42	10.06
103	100	Treasury 12pc '86	102	.....	11.66	10.51
98¼	94⅝	Treasury 8¼pc '84-86‡‡	98⅛	+	8.67	9.38
109	105	Exch. 14pc 1986	107½	+	15.02	10.69
86	84½	Exch 2½pc 1986	86	+	2.90	8.15
107	103⅝	Exch. 13¼pc 1987	106¼	+	12.47	10.69
100	95⅞	Treas 10¼pc Cnv '87	99 xd	+¼	10.31	10.46
85	80¼	Exchequer 2½pc 1987	85 xd	+	2.92	7.95
100	95⅞	Exch. 10½pc 1987	99⅛	+⅛	10.57	10.71
93¼	88½	Funding 6½pc '85-87‡‡	92	.....	7.06	9.43
98	95	Treas 10pc 1987	98	+⅛	10.28	10.67
86	80¼	Treasury 3pc 1987	84	+	3.56	8.37
104⅝	99⅞	Treas 12pc 1987	103¼	+	11.62	10.88
159	89⅞	Treasury 7¾pc '85-88‡‡	94⅛	–	8.23	9.56
101½	95½	Exch 10½pc '88	99⅛	+	10.60	10.75
98⅛	95	Treas 9¾pc Conv '88	96	+	10.07	10.52
81⅞	75¼	Transport 3pc '78-88	81⅝	.....	3.68	7.06
96¼	90¼	Treas. 9½pc '88	95	+	18.00	20.85

Five to Fifteen Years

1983-84 High	Low	Stock	Price £	+ or –	Yield Int.	Red.
106¼	95¼	Treasury 11½pc 1989	101 xd	+	11.29	11.01
103	94¼	Treas 10½pc 1989	100	+	10.67	10.08
97⅝	96⅜	Exch 10pc 1989	97½	+	10.40	10.94
84⅞	76	Treasury 5pc '86-89	84¼	+¼	6.05	8.97
114	103	Treasury 13pc 1990‡‡	103¾	+	12.07	11.17
110⅞	100⅞	Exch. 12½pc 1990	110⅝	+	11.23	11.18
93¼	86¼	Treasury 8¼pc '87-90‡‡	91½	+	9.16	10.43
21	20	Treas 10pc Cv '90 (£20pd)	20⅝	+	10.39	10.89
108¼	97	Treasury 11¾pc 1991	103½	+¼	11.47	11.23
83¼	74⅝	Funding 5¾pc '87-91‡‡	83¼	+	7.68	9.42
103¼	95⅞	Exch. 11pc 1991	102¼	+	11.07	11.10
114⅝	102	Treasury 12¾pc '92‡‡	103½	+½	11.83	11.24

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

1983-84 High	Low	Stock	Price £	+ or –	Div. Gross	C'vr	Y'ld Gr's
35⅛	22¼	Abbott Labs.	31⅛	+¼	$1.00	—	2.2
34¼	17⅞	Alcoa $1	25⅞xd	–⅛	$1.20	—	3.3
19½	13⅜	Amax $1	16¾xd	+⅛	20c	—	0.0
18⅝	875p	Amdahl	11⅜	–¼	20c	—	1.2
32⅞	19¼	Amer. Express $0.60	20¼	+½	$1.28	—	4.5
24⅜	14⅝	Amer. Medical Intl. $1	17⅛	+⅜	48c	—	2.0
34¼	20⅝	Amer. Nat. Res. $1	32⅞xd	+⅝	$3.16	—	6.8
47⅜	36½	American T. & T. Co.	45⅛	+⅛	$5.40	—	8.4
21½	14	Amfac Inc	19⅞xd	–⅛	$1.44	—	5.1
16⅛	12	Bank America Corpn	14¼	–⅛	$1.52	—	7.3
35½	22¼	Bankers N.Y. $10	32⅞	–⅛	$2.25	—	4.9
20⅞	11⅞	Beth Steel $8	17⅜	–¼	60c	—	2.4
31½	21⅛	Brown'g Fer. c16⅔	24½	–½	96c	—	2.8
23½	10⅝	Brunswick Corpn.	18⅜	+¼	60c	—	2.3
29	22¼	C.P.C. 25c	27xd	.....	$2.20	—	5.8
44⅞	29⅛	Campbell Soup	42⅛	–⅛	$2.30	—	3.8
35¾	24½	Caterpillar	31⅛	–⅛	$1.50	—	3.5
39¼	25	Chase M'htn $12.5	35⅛xd	–¼	$3.50	—	7.0
36½	26¼	Chemical N.Y. Corpn	33⅞	–⅛	$3.24	—	6.7
29⅛	24⅜	Chesebrough $1	26½	+⅜	$1.84	—	4.9
32⅞	11	Chrysler $6¼	20¼	+⅛	60c	—	2.1
29½	20¼	Citicorp $4	25⅝xd	–1	$1.88	—	5.2
29⅝	17	City Inv. $1.25	23xd	–⅛	$1.80	—	5.5
26⅞	11⅝	Colgate-P. $1	14⅝	–¼	$1.28	—	6.1
40	19¼	Colt Inds. $1	32¾	–1½	$2.20	—	4.7
20⅛	12⅛	Cons. Foods $1⅓	19⅛	+⅛	$1.16	—	6.1
16⅝	12	Cont. Illinois $5	14⅝	+¼	$2.00	—	10.0
27	17¼	Crown Zell. $5	22⅛	+⅜	$1.00	—	3.2
887p	410p	Damson Oil US$0.4	531p	–22	—	—	—
22½	12⅞	Dana Corp. $1	19	–⅛	h74.7c	—	2.8
103p	76p	Derma-Lock Medical	100p	+14	—	—	—
40	19¼	Eaton Crp. $0.50	33⅞xd	–⅛	80c	—	1.7
32⅞	17⅝	Esmark $1	27⅝	–1⅛	$1.04	—	2.6
28¼	17⅞	Exxon	25¼	–⅛	$3.20	—	8.8
17¼	730p	Fin. Corp. America	14	–⅛	h34c	—	1.7
19	10⅝	First Chicago $5	18⅛	+⅛	$1.32	—	3.1
28⅞	22¼	Florida Power & Light	27⅝	–½	$3.60	—	9.2
15⅝	10⅞	Fluor Corp. $⅝	13⅝	+¼	80c	—	4.2
33	15⅝	Ford Motor $2	26⅛	–⅜	$1.20	—	3.3
24½	16⅝	GATX $⅝	19⅞	–¼	$1.20	—	4.5
41½	31	Gen Elect $1¼	37½	.....	$2.00	—	3.8
38⅝	24⅜	General Foods Corpn. $1	33¼	–¾	$2.40	—	5.1
36½	26⅜	Gillette $1	32⅞	–1¼	$2.30	—	4.9
40¼	18⅛	Gulf Corp $1	40⅛xd	+1⅞	$3.00	—	5.2
48¼	25⅞	Honeywell $1.50	39½	–⅛	r$1.80	—	3.2
34⅛	17¼	Hutton (E. F.) $1	19	.....	80c	—	2.9
89½	57⅛	I.B.M. Corp. $1.25	77	+1¼	$3.80	—	3.5
33½	18½	ITT	27⅜xd	.....	$2.76	—	6.0
39⅞	24	Ingersoll-R $2	33⅛xd	–¼	$2.60	—	5.5
17⅝	12	Insilco $1	12¼	+⅛	$1.00	—	5.0
18¼	450p	I. U. International	15⅛	+¼	$1.15	—	5.4
		For Int. Tel. Tel. see ITT					
31⅛	16¼	Lockheed Corp'n	24¼	–⅜	—	—	—
24¼	15½	Lone Star Inds.	17⅝	+⅛	$1.90	—	7.7
26	15	Louisiana Land $0.15	21½	+⅝	$1.00	—	3.3
21	937p	Lowes US$0.50	13¼	–⅜	h34½c	—	1.9
31⅞	23½	Manf. Han. US$7.50	26⅜	+⅛	$3.04	—	0.1
36⅛	17¼	Merrill Lynch $1	18½xd	+1¼	h80c	—	3.1

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

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ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

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INDUSTRIALS (Miscel.)

هكذا من الأصل

هكذا من الأصل

INDUSTRIALS—Continued

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Components

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PAPER, PRINTING, ADVERTISING

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LEISURE

SHIPPING

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SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

Australians

Tins

Miscellaneous

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap" Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- USM: not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- Dealt in under Rule 163(3).
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ¶ No par value.

B.Fr. Belgian Francs. Fr. French Francs. §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	76	+4	in. 13% 97/02.	£97½	+¼
Craig & Rose £1	900	......	Alliance Gas	85	......
Finlay Pkg. 5p	46	......	Arnott	217	......
Higsons Brew	82	−2	CPI Hldgs.	92	......
Holt (Jos) 25p	890	......	Carrol Inds.	120	......
I.O.M. Stm. £1	125xd	+5	Hall (R. & H.)	62	......
			Heiton Hldgs.	25	......
			Irish Ropes	54	......

IRISH

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

MAN IN THE NEWS

Lebanon's reluctant rebel

BY PATRICK COCKBURN

MR NABIH BERRI, leader of last Monday's insurrection in West Beirut which precipitated the withdrawal of U.S. marines from Lebanon, looks almost surprised at the speed of his own success.

He is now in control of two-thirds of the Lebanese capital, and has secured his position as the leader of the Shiah Moslems, the largest community in Lebanon.

The Government of President Gemayel and his 37,000 strong army have so far been unable to mount a counter attack. Indications yesterday were that they would not do so. Berri as President of the Shi'ite Amal movement, is now the most powerful man in Lebanon but he needs to fill the political vaccuum which the collapse of government authority has produced.

Berri is a far more reluctant rebel than Mr Walid Jumblatt, the Druze leader. For almost 18 months he looked for social and political reforms from President Gemayel's Government. He has always sought to reform rather than destroy the tattered public of the Lebanese state. In many ways he is a more modern figure than the other warlords and hereditary leaders, who dominated Lebanese politics.

A lawyer in his early 40s, he became leader of the populist Amal movement in 1978, taking over from Imam Mousa Sadr who had mysteriously disappeared during a visit to Libya. The Shiah, though numerous, were the worst represented of major Lebanese communities. Very poor, for long

Nabih Berri

ruled by traditional families and without a strong Militia, the Shiah suffered badly in Lebanon throughout the 70s.

In their stronghold in South Lebanon, and South Beirut, they were hit by Israeli raids and the 1975-76 civil war. In these areas and in the Bekaa Valley to the east, there were few government services, schools, or adquate roads. Although Berri was able to build up Amal it was not a very potent force until the trauma of the Israeli invasion of 1982.

Berri hoped that a new deal could be obtained for his co-religionists but despite a certain amount of rhetoric about reforms, President Gemayel would have none of it. Berri's moderation led to a decline of his influence and a growth of the influence of Iran and the ideology of a revolutionary Islam.

His growing militancy during the last few months was forced on him by the Government and by his own men. He could not obtain the political and social concessions he wanted. The breaking point came when the independent Shiah enclave of South Beirut, was shelled last week. He moved decisively into opposition to President Gemayel causing the resignation of the Government, the defection of part of the army and the takeover of West Beirut.

Nabih Berri remains very much a moderate seeking to remould and modernise the state. But his triumph is that of a sectarian military leader. His moderation has yet to pay dividends. Amal and the Shiah have won their present position because of their military strength.

Wearing a suit and tie in his crowded office, Mr Berri contrasts with the heavily armed Militia men who surround him. He has kept them under control but unless he can reach a *modus vivendi* with his opponents, his control over events will begin to slip. He cannot turn the Lebanon into a nation state but he is probably Lebanon's best hope that its heavily armed sectarian mini states will one day co-exist in peace.

Reagan's Lebanon aims questioned

BY STEWART FLEMING IN WASHINGTON AND PATRICK COCKBURN IN BEIRUT

THE REAGAN administration faces deepening disillusion in Congress about the apparent confusion among U.S. policy-makers over Lebanon. Critics of the administration say it seems uncertain about its ultimate goals for Lebanon and how to achieve them.

Some congressional leaders have made clear they feel cheated by the way the Administration is carrying out the withdrawal of the marines from Beirut. Congressmen had hoped the withdrawal would take place rapidly and not over the three to four months some officials have suggested could be the case.

They are also deeply suspicious about the Administration's extensive use of naval firepower off the Lebanese coast. Mr "Tip" O'Neill, the Democrat speaker of the House of Representatives, who has been moving from his position last year of supporting the President, has bluntly told the Administration that the U.S. shelling to suppress the bombardment of Beirut was "absolutely not" within the authority which Congress granted the President last year under the War Powers Act. This authority had only covered "ensuring the safety" of U.S. troops.

The Administration has been sending out conflicting signals about the purpose of the shelling of positions inside Syrian-controlled parts of Lebanon and about its plans for withdrawing the marines.

One official suggested the shelling was designed to support the Lebanese army and the Government of President Amin Gemayel as well as to put pressure on the Syrian Government to stop intimidating the various Lebanese factions.

In an effort to head off criticism that the War Powers Act does not authorise the sort of military activity it is employing, the White House has stressed that the shelling is designed to protect U.S. and European military personnel in the greater Beirut area.

But senior officials have conceded that they could be facing the prospect of Syrian domination of the Lebanon. Their determination to resist this, but their evident uncertainty about the best method to employ, may help to explain the confusion.

The Administration has stressed that one reason why the redeployment of the marines is to be phased over several weeks, is that it is anxious to avoid the appearance of "cutting and running."

● More than 480 British, U.S. and other foreign residents were evacuated from Beirut yesterday as fighting continued along the "Green Line" which separates the Christian and Moslem halves of the city.

Overseas buying lifts TI shares

BY RAY MAUGHAN

HEAVY overseas buying of shares in TI Group, one of Britain's leading engineering companies, pushed the price up 14p yesterday to 218p, a peak for this year and last. Stockbrokers calculated that at least 5 per cent of the equity had been acquired by an overseas buyer.

A block of more than 3m shares was purchased "out of the market" in the past few days at a price thought to be 210p a share. TI has a Stock Exchange valuation of almost £130m.

Under UK company law, the holder of a 5 per cent interest would be obliged to disclose its holding next week. General Electric of the U.S., at one time believed in the market to be the purchaser, was quick to deny that it had any TI stake.

TI has risen 4p on balance this week, despite dropping to 204p on Monday, during a period when the FT Industrial Ordinary Index, of which the group is a constituent, fell 3.3 per cent.

Brokers believe part of the rise can be explained by TI's improving prospects. The group lost £33.1m in 1981 and made pre-tax profits of just £3.7m the following year. It is expected that TI has achieved some £16m in 1983 and predictions for the current year range between £30m and £32m.

The upturn stems from the sale of British Aluminium and a half stake in Round Oak Steel Works, the merger of its seamless pipe and the cold drawn steel tube activities with those of the British Steel Corporation, a return to profits in the machine tool division, and the staunching of losses incurred by the Raleigh bicycle subsidiary.

In addition, in its Creda, Russell Hobbs and New World brands, the group has one of the most consistently profitable durables businesses in Europe.

Citicorp over Tokyo hurdle

By David Lascelles in Tokyo

JAPAN'S Ministry of Finance last night decided not to block Citicorp's proposed purchase of part of Vickers da Costa, the London stockbroking firm which holds one of the few licences granted to foreigners to do securities business in Tokyo.

The U.S. bank is now expected to proceed with a £20m deal to acquire 29.9 per cent of Vickers's London business (the maximum allowed by the London Stock Exchange) and the firm's entire Far East business.

The Japanese decision was made known to Vickers and Citicorp by the ministry which is responsible for regulating the securities and banking industries in Japan.

The deal posed problems for Japan, where banks are not allowed to enter the securities business. The ministry appears to have been satisfied that Citicorp's holding company structure would enable Vickers to be kept separate from Citibank, the group's banking subsidiary.

Tokyo is under pressure from the Reagan Administration to ease U.S.-Japanese trade friction by granting U.S. financial institutions easier access to the Japanese market. Thus the Vickers deal was something of a political test.

Morgan Guaranty in Japanese venture, Page 23

Yamani backs Nigeria's oil case

BY QUENTIN PEEL, AFRICA EDITOR

SHEIKH Ahmed Zaki Yamani, the Saudi Oil Minister, has lent support in Lagos to Nigeria's case for an oil production quota above the level of 1.3m barrels a day fixed by the Organisation of Petroleum Exporting Countries.

His backing came as Dr Ona Soleye, Finance Minister in Nigeria's military Government, again ruled out "straightforward devaluation" of the naira as a condition for a loan of some $5bn from the International Monetary Fund. Dr Soleye was speaking as he left for a new round of negotiations with the IMF in Washington.

Sheikh Yamani was reported by the official Opec news agency as saying of the oil quota: "Nigeria should have special treatment for obvious reasons."

Maj Gen Muhammadu Buhari, the country's head of state and former Petroleum Minister, has already stated his intention of seeking an increased quota.

Dr Soleye said agreement in principle had been reached with British, French and West German export credit agencies to refinance arrears they had insured over a period of six years. Officials said no accord had yet been reached on exact terms and conditions.

The Minister also said agreement had been reached on most of the conditions set by the IMF for a three-year extended credit which could exceed $3bn. He added that outright devaluation of the naira remained a problem.

A downward float might be possible, although Dr Solege rejected a target of parity with the dollar, some 30 per cent below the naira's current value of $1.33.

THE LEX COLUMN

A cold shower for equities

The London equity market has been in an odd mood this year. In fundamental terms, there was no very apparent reason for the FT 30-Share Index to race up by 70 points to its 840 high—nor, this week, to plunge back to a touch below 800.

This week's main change, perhaps, was in the state of mind of fund managers, who seem perceptibly more relaxed now that the market has corrected itself. The snag about London's rise from early January was that it coincided with Wall Street moving smartly in the opposite direction. When, on Monday, the UK market found itself having to cope simultaneously with two particularly grim Wall Street sessions—Monday's and the previous Friday's—few institutional investors were sorry to throw in the towel.

In fact, this week provided them with the opportunity for some strategic profit-taking, in place of the nervous scatter of purchases based on fear of being left behind. Nervousness now appears to have passed to the Americans, who this week seemed—perhaps irrationally—to be extending their worries about Wall Street to their holdings abroad.

The market may well remain parked where it is for a little while yet. If, on the other hand, the downward drive leaves the 800 signpost receding smartly in the rear view mirror, few brokers seem to be expecting a convenient lay-by until the 750 mark.

That does not seem too pressing a worry, for if Wall Street has been to some degree undermined by fears that U.S. company profits may have faltered in the past quarter of 1983, there is little reason to project the same anxieties upon the London market. While most forecasts of UK profit growth are well below the 25 per cent or so which companies enjoyed last year, the outlook is still for an advance of at least 15 per cent in 1984. This may not be

Index rose 4.1 to 805.4

enough to sustain a market acceleration like January's, but it is not the kind of expectation which goes well with an equity market collapse. Dividend growth, at least, should underpin London share prices.

There is a caveat, however, in that the UK recovery has so far been based almost exclusively on consumer spending—with retail sales running at stratospheric levels for months past. Since the economic cycle turned upwards, this expenditure has generally been rising far faster than personal incomes, the extra consumption being financed by higher borrowings, lower savings, and notably by withdrawal of equity from house property.

Although such a shift from saving to consumption can be carried on for quite a time, it seems likely to begin acting as a brake on the growth of consumer spending before long; higher debt servicing costs could soak up around a third of the rise in spendable incomes this year.

If the spending spree is rattling towards its final check-out, the responsibility for continued growth in aggregate profits will need to move from retailers towards the capital goods industries, where share prices have until very recently shown not much sign of life.

It must be consoling for equity managers that there is evidence at least of sharply rising investment intentions. Whether that is the main source of interest in the shares of TI—the star performer of the past fortnight—is more debatable. But at least a bid for TI—presumably from an overseas corporation—might add to confidence in a revived engineering sector.

Citicorp/Vickers

Perhaps Citicorp really has succeeded in a little gentle banging of Japanese heads against its much vaunted Chinese walls, but the Tokyo Ministry of Finance's statement yesterday passing the Citicorp/Vickers operation fit for action rings rather hollow. The men from the Ministry say Vickers is is being bought not by Citibank but by other subsidiaries of the Citicorp group—ergo Vickers and Citibank will have no close relationship, and need not pose a threat to the prevailing distinction between brokers and bankers in the Japanese markets.

No doubt one or two of the Japanese commercial banks could themselves boast the odd subsidiary moving at a distant orbit from their main banking arm. But it would be surprising to see any of them follow in Citicorp's tracks. The MoF appears to have had an uncomfortable time reaching its decision and coupled yesterday's announcement with a warning about the obstacles still facing bank-owned foreign securities firms wanting to set up in Japan, presumably *pour decourager les autres*.

Probably it reconciled itself to Citicorp's innovation on the grounds that no real parallels exist for Vickers' situation. Above all, it must be said, Citicorp seems to have acted shrewdly in shooting first and then asking the questions—cancelling Vickers' dealing licence would have made a far greater stir than simply turning down a confidential approach from the U.S. bank, particularly in the wake of the recent pressures on Japan to make her markets more accessible.

Attitudes towards foreign institutions seem unlikely to be changed much in Tokyo—or, indeed, towards the Japanese banks in the City—by all of this. Unless, of course, MoF takes action to forestall a remote subsidiary of Bank America from emulating Citicorp's example by buying Merrill Lynch's Tokyo office.

Wall Street reflects on 'a very bad week'

BY JOHN MAKINSON IN NEW YORK

THE New York stock market has barely opened and Mr Jeffrey Weingarten, the senior securities analyst at Goldman, Sachs, is already puffing heavily on an enormous cigar. "In a bad week," he says, "I start on these things at 7.30 am." For Wall Street this has been a very bad week indeed.

At the end of last year, as New York's securities firms pushed out their strategy documents for 1984, the consensus was that the equity market would start the year well, encouraged by the evidence of rising corporate profits and stable, if not falling, interest rates.

Later in 1984, they conceded, a slowing economy and worries about the November presidential election might pare the gains. Hardly anyone, however, was expecting a crunch to come so soon.

By the end of January the New York market had retreated slightly from the record level established in late November, but the Dow Jones Industrial average was still looking comfortable at 1,220.

Then the rot began in earnest. Having dropped through 1,200 last Friday the Dow continued an almost uninterrupted downward spiral this week, bringing it to a close of 1,152.74 on Thursday before a slight upward move early yesterday.

Wall Street analysts are not much given to understatement and the summary given by Mr Michael Metz, a senior vice-president at Oppenheimer, of the mood of the market is fairly typical. "Unrelenting despair" is how he puts it.

"Everyone is wondering what the market is telling them. A month ago the picture looked so bright and now people are worried that the world is coming to an end, perhaps by next Monday or Tuesday. In fact, the market may be telling them nothing at all," Mr Metz says.

The bewilderment at the suddenness of the turn is almost total. Recent statements by Mr Paul Volcker, chairman of the Federal Reserve Board, emphasising the threat posed by the U.S. budget deficit to economic activity and the dollar have certainly contributed to the shift.

The bond market, however, has not responded to his remarks with anything like the ferocity of the equity market.

Mr Jim Davin, a managing director of First Boston Corporation, says the market's mood is one of anger and fear. Investors are angry that they failed to see the fall coming.

Very few people, he believes, were on the right side at the right time. Now they are looking back over the market charts supplied by a host of independent advisers and kicking themselves for failing to spot the changing trend.

"A lot of investors I speak to are saying they ignored the disciplines learnt during a lifetime in the business. This weekend they will go home, clutching their charts," Mr Davin says.

Everyone is afraid of what will happen next. Mr Metz is optimistic that the market will make a sustainable turn early next week and the view that equities will carry on upwards after this shake-out is still widely held.

Yet many on Wall Street, pointing to the danger of a fresh recession late next year, say they have given up hope of a significant recovery.

No matter where the market goes next week, the memory of the past few days will not easily be erased.

Wall Street's anxious message, Page 17

Shipyards Continued from Page 1

agreement to acquire the yard from the state shipbuilder, but the Government said on Thursday that it was still open to other offers.

The situation is particularly confused in the warship yards. At Vosper, mass meetings at which 5,000 workers had been expected to accept a deal in principle were cancelled yesterday because of a last-minute revolt against the deal by 1,000 boilermakers.

Manual workers at Vickers and Yarrow had rejected deals earlier this week in the hope that the entire warship division would reject them. But the small warship engineering company of Barclay Curle in Glasgow has reached a local agreement.

The picture in the merchant yards was incomplete as meetings continued into the evening, but deals were reached at Appledore Shipbuilders in North Devon and Ferguson Ailsa in Glasgow.

At Smith's Dock, 1,000 workers reached agreement, but 600 boilermakers refused to sign.

The 1,500 manual workers at Austin and Pickerskil threw out flexibility proposals by three to one.

At Cammell Laird—the future of which is in doubt—some sections of the workforce were reported to have rejected the management's plans and others to have accepted them.

Retail price Continued from Page 1

have only a modest impact on the index.

The Government also hopes that the latest petrol price cuts and the possibility of a mortgage rate cut—the Building Societies Association council decided yesterday to leave the rate unchanged despite pressure from some societies for a reduction—will have a moderating impact on inflation in the next few months.

In January the main price falls were for clothing, footwear and household goods which outweighed higher charges for alcoholic drinks and British Rail travel.

Food prices were relatively stable, with a slight rise for some fruit offset by cheaper fresh vegetables.

The Retail price index fell to 342.6 from 342.8 in December (1974 = 100). The tax and price index, which includes the effect of changes in taxation on living costs, fell to 177.9 from 178.0 (1978 = 100) to give an annual increase in the year to January of 4.2 per cent compared to 4.4 per cent the previous month.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Exch. 12% '13-17	£120¼	+ 1¼
Aero Needles	88	+ 10
Applied Computer	610	+ 25
Brit Printing	156	+ 8
CML Microsystems New	200	+ 17
Cable & Wireless	317	+ 15
Cornell	290	+ 13
Grand Metropolitan	343	+ 10
Grattan	52	+ 5
Lonrho	136	+ 6
Milbury	90	+ 11
Phoenix Assoc	450	+ 10
Porter Chadburn	95	+ 21
Quick (H. & J.)	55	+ 3
Royal Bank of Scot	218	+ 6
TI	218	+ 14
Wagon Finance	50	+ 3
Ward Hldgs	75	+ 6
York Trailer	40	+ 3
Berkeley Expl'n	125	+ 7
Bristol Oil & Mins	62	+ 8
Invest Energy	350	+ 37
Vaal Reefs	£84¼	+ 1
FALLS		
Aerospace Eng	50	− 5
Beecham	295	− 8
Munford & White	150	− 10
Stylo	270	− 38
Atlantic Resources	540	− 20

WORLDWIDE WEATHER

UK today: Mild. Dry with sunny intervals but cloudy with rain in Scotland.

	Y'day midday	°C	°F		Y'day midday	°C	°F		Y'day midday	°C	°F		Y'day midday	°C	°F
Ajaccio	S	13	55	Dublin	C	10	50	Madrid	S	12	54	Perth	S	39	102
Algiers	C	11	52	Dbrvnk	F	5	41	Majorca	S	14	57	Prague	F	0	32
Amsdm	F	7	45	Ednbgh	C	9	48	Malaga	F	15	59	Rykjvk	F	5	41
Athens	F	14	57	Faro	S	16	61	Malta	F	16	61	Rhodes	F	16	61
Bahrain	S	18	64	Florence	S	11	52	M'chstr	R	8	46	Rio J'o†			
Barclna	S	21	70	Frnkft	C	1	34	Melbne	S	19	66	Rome	F	10	50
Belfast	C	1	34	Geneva	S	3	37	Mx. C†				Salzbg	S	−1	30
Belgrd	Sn	0	32	Gibrltr	S	16	61	Miami†				S'ciscot			
Berlin	C	2	36	Glsg'w	C	9	48	Milan	S	12	54	S'gapr	F	29	84
Biarritz	S	8	46	G'nsey	S	8	46	Montrl†	C	−16	3	S'tiago†			
Bmghm	C	4	39	Helsinki	Sn	−3	27	Moscow	C	−3	27	Stckhm	S	−3	27
Blackpl	C	7	45	H. Kong	C	15	59	Munich	C	−1	30	Strasbg	S	1	34
Bombay	S	29	84	Innsbrk	Sn	0	32	Nairobi				Sydney	S	21	70
Bordx	S	8	46	Invrnss	C	10	50	Naples	C	14	57	Tangier	S	17	63
Boulgn	S	4	39	I.o.M.	C	7	45	Nassau				Tel Aviv	S	23	73
Bristol	C	8	46	Istanbul	F	12	54	Nwcstl	C	8	46	Tenerife			
Brussels	F	4	39	Jersey	S	9	48	N. Delhi				Tokyo	S	5	41
Budpst	F	1	34	Jo'burg				N. York†	F	−2	28	Toronto†	C	−4	25
Cairo	S	24	75	Lisbon	S	12	54	Nice	S	14	57	Tunis	C	11	52
Cardiff	R	9	48	Locarno	S	9	48	Nicosia	S	19	66	Valencia	S	16	61
Cape T.				London	C	7	45	Oporto	S	15	59	Venice	S	12	54
Chicg†	C	3	37	L. Ang†	F	12	54	Oslo	C	−2	28	Vienna	C	1	34
Cologne	C	3	37	Luxmbg	C	2	36	Paris	C	4	39	Warsaw	C	0	32
Cphgn	C	2	36	Madeira	C	17	63	Peking	F	−4	25	Zurich	C	1	34
Corfu	F	11	52												

C—Cloudy, F—Fair, Fg—Fog, H—Hail, R—Rain, S—Sunny, Sl—Sleet, Sn—Snow, T—Thunder.
† Noon GMT temperatures.

هكذا علقه الاهل